Friends and Interests. A Comparison of Chinese and Nordic Aid to Tanzania

Heidi Sandvand
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Declaration

I, Heidi Sandvand, declare that this thesis is a result of my research investigations and findings. Sources of information other than my own have been acknowledged and a reference list has been appended. This work has not been previously submitted to any other university for award of any type of academic degree.

Place/Date........................... Signature..............................................................
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To Kristian and my family for continuous encouragement –

Thank You.

Vikersund, May 2008
Heidi Sandvand
Abstract

The theme of this master thesis is China’s foreign aid activities in Africa. In recent years, China’s involvement with Africa has rapidly expanded; aid, trade and investment volume has grown extensively. Yet, it is argued that China’s foreign aid of ‘no political strings’ may prove deleterious on fragile African states. Intrigued by this, in this thesis I seek to provide a systematic, detailed analysis of China’s involvement with its prime recipient of aid, Tanzania, compared to that of ‘established aid practice’. The Nordic countries serve as the indicator of these practices, and I provide a comparative analysis of Chinese and Nordic aid along the following indicators: Policy, History, Extent, Modalities, Sector Preferences, Conditions, Harmonisation, Recipient-Orientation and Trade, indicators that allegedly cover central dimensions of a country’s foreign aid. The central theme of this case study is this: The differences between Chinese and Nordic aid to Tanzania. Hence it provides valuable insight into the hitherto under-researched topic of China’s country-specific involvement with Africa.

From the analysis I infer that the Chinese and Nordic aid diverge substantially. In policy, Nordic aid is poverty-oriented, principled and rights-based, while Chinese aid is growth-oriented, practical, and frictionless. In practice, Nordic aid to Tanzania is evolving, it is politically conditional, predominantly grants-based, un-tied, poverty-oriented, influenced by international trends, advocating an equitable and integrated development strategy, whereas Chinese aid to Tanzania is consistent, it is politically un-conditional, sporadic, predominantly loans-based, tied, growth-oriented, determined mainly by own experience and philosophy, advocating a centralist, mercantilist development strategy, where aid is but one integrated element of China’s Africa strategy.

I argue that Chinese aid brings both opportunities and challenges to Tanzania. The potential for South-South cooperation is great, yet Chinese involvement also brings corruption and poor working standards. Whether Tanzania’s relationship with China will prove mutually beneficial depends on Tanzania’s ability to utilise its bargaining power in aid negotiations with China, and to demand accountability and responsibility in development financing. Triangular dialogue between China, Tanzania and the international donor community may serve to enhance on aid cooperation.
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<tr>
<td>BoP</td>
<td>Balance of Payment</td>
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<td>CBO</td>
<td>Community-based Organizations</td>
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<td>CCS</td>
<td>Centre for Chinese Studies</td>
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<td>CPC</td>
<td>the Communist Party of China</td>
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<td>DAC</td>
<td>Development Assistance Committee of the OECD</td>
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<td>DANIDA</td>
<td>Danish Agency for Development Co-operation</td>
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<td>DP</td>
<td>Development Partners</td>
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<td>DPG</td>
<td>Development Partners Group</td>
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<td>ERP</td>
<td>Economic Recovery Programme</td>
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<td>EXIM</td>
<td>Export-Import</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FOCAC</td>
<td>Forum for China-Africa Cooperation</td>
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<td>GoT</td>
<td>Government of Tanzania</td>
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<tr>
<td>GBS</td>
<td>General Budget Support</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>JAST</td>
<td>Joint Assistance Strategy for Tanzania</td>
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<td>MDG</td>
<td>Millennium Development Goals</td>
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<td>MOFCOM</td>
<td>Ministry of Commerce</td>
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<td>MoU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>MKUKUTA</td>
<td>National Strategy for Growth and Reduction of Poverty</td>
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<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
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<td>NORAD</td>
<td>Norwegian Agency for Development Cooperation</td>
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<tr>
<td>NSGRP</td>
<td>National Strategy for Growth and Poverty Reduction</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<td>ODI</td>
<td>Overseas Development Institute</td>
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<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<td>PRC</td>
<td>People’s Republic of China</td>
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<td>SAP</td>
<td>Structural Adjustment Programmes</td>
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<td>SIDA</td>
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<td>TANU</td>
<td>Tanganyika African National Union</td>
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<td>TAS</td>
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<td>UNDP</td>
<td>United National Development Programme</td>
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<td>WB</td>
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<td>WWF</td>
<td>World Wildlife Foundation</td>
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1. Introduction

Thematic Focus

Dear Friends,
Our meeting today will go down in history. We, leaders of China and African countries, in a common pursuit of friendship, peace, cooperation and development, are gathered in Beijing today to renew friendship, discuss ways of growing China-Africa relations and promote unity and cooperation among developing countries.

With these words, President Hu Jintao inaugurated the Third Summit of the Forum for China-Africa Cooperation (FOCAC) in 2006. Surely, the Summit was historical. Gathering more than 1,700 delegates from China and 48 African states, it has been known as the largest diplomatic gathering ever to be held outside Africa and within China (Lammers 2008); it marked the 50th anniversary of China-Africa relations; and China’s lofty pledges of increased trade, aid and investment manifested a historical trend of recent years – China’s march into Africa.

The last years’ China-African (or Sino-African) relationship certainly stands out in scope and intensity. Most significantly, Sino-African trade has grown from a mere US$4 billion in 1995 to US$55.5 billion in 2006 and is expected to reach US$100 billion by 2010 (Davies 2007: 25). Today, the fast-growing, resource-hungry China is Africa’s third largest partner after the United States and France and the second largest exporter to Africa after France. Between 2002 and 2003, trade grew by 50 percent, which is the fastest increase in trade volume China has ever experienced with any geographical area (Mooney 2005: 2). What is more, between 1995 and 2004, the share of Africa’s exports to China rose from 1.3 to 9.3 percent, accompanied by a significant decline in African exports to OECD countries (Lammers 2008: 2). Chinese investments in Africa are also on the increase; while still a marginal proportion of its total FDI, based on planned investments it is estimated that China may become one of Africa’s top three investors within a few years (Lammers 2008).

It is also recognized that “China is dramatically boosting its aid to Africa” (Kurlantzick 2006: 2). At the Summit in 2006, President Hu Jintao pledged to double Chinese development assistance to Africa by 2009; to provide US$3 billion of preferential loans and US$2 billion of preferential buyer’s credits to African countries in the next three years; to cancel debt owed
by poor countries in Africa; and over the next three years, train 15,000 African professionals, send 100 senior agricultural experts to Africa, set up 10 special agricultural technology demonstration centres, build 30 hospitals, build 30 malaria prevention centres, dispatch 300 youth volunteers, build 100 rural schools, and to grant 12,000 African students a Chinese government scholarship by 2009 – without political conditionalities (FOCAC 2006/11/04).

The promotion of a foreign aid policy of ‘no political strings’ coupled with increased aid contributions has proved appealing to many African leaders. President Mugabe for instance, now calls China his ‘number one friend’ (Eisenman & Kurlantzick 2006: 222). Yet several express worries that China’s unconditional generosity towards Africa may serve to undermine internationally agreed standards and contribute to a strengthening of some of the continent’s worst regimes in for instance Zimbabwe, Sudan, Angola and Nigeria – D. M. Tull (2006: 459) for instance, alleges that “the political consequences [of China’s growing interest in Africa] are bound to prove deleterious.” Scholars and observers alike opine that the combination of Chinese munificence with non-interference in political affairs may wreak havoc on Africa’s only chance for development – an accountable, transparent, equitable, inclusive and participatory state that follows the rule of law, in other words good governance. China certainly offers an alternative aid package compared to that of established (read: Western) aid practice. “We have our own supporters”, the deputy head of Sudan’s Parliament declared when Washington sought, unsuccessfully, to sanction Sudan at the United Nations (Eisenman & Kurlantzick 2006: 222).

The theme of this thesis is the emergence of Africa’s ‘new supporters’, China’s foreign aid activities in Africa more precisely. Keeping time with China’s accelerated involvement with Africa, a wealth of research articles and books have sought to chart the rapid developments of China’s aid activities in Africa, leading Bräutigam (2007: 2) to conclude that “we do know something of Chinese aid” – that is, we know about the general pattern of Chinese aid practice, yet she claims, “there is much, much more that is unclear” – thorough analyses of China’s country-specific aid practices are still lacking. Being genuinely intrigued by China’s accelerating interest with Africa, curious of the possible effects of this, and aware of the hitherto under-researched area of China’s country-specific involvement, I seek to provide an analysis of China’s aid activities in the country that has been China’s largest beneficiary of aid – Tanzania.
Research Questions

The purpose of this thesis is two-fold: It aims at describing China’s accelerated involvement in Africa in a historical perspective and analysing the Sino-Tanzanian relationship in terms of China’s foreign aid. “China’s engagement with Africa is qualitatively different from the engagement of other powers and financial institutions”, Kurlantzick (2006: 4) declares. Accordingly, I seek to develop our understanding of the motives, rationales and institutional structures guiding China’s aid policy and to examine how the Chinese aid dynamism manifests itself in Tanzania. My main interest is to investigate the way in which Chinese aid strategies differs from that of established (read: Western) aid practice. The overall goal as such is to refine our current understanding of China’s engagement with Africa in general and Tanzania specifically, and to provide nuance to the somewhat polemic debate about the impact of Chinese presence in Africa. What characterises the evolving China-Africa relations? What it is the content and character of China’s aid policy towards Africa? In what manner is Chinese aid policy translated into practice? How do Chinese aid practices relate to the international aid regime? In what ways do Chinese aid practices differ from the practice of other donors in Tanzania? And, are there indications in Tanzania that China’s unconditional support is undermining ‘customary’ aid policy structures in the country? These are central questions that I seek to answer, by no means exhaustively, yet I do aspire to provide a detailed, systematic analysis of China’s involvement with Tanzania compared to that of established aid practice.

In order to investigate this adequately I have chosen to compare China’s aid practices with a group of countries that are known to follow the overall shifts in the international donor community, and can thus serve as an indicator of what I refer to as ‘established aid practice’, that is, the Nordic countries. The Nordic countries have, as has China, been involved with Tanzania for more than forty years and the country is the main beneficiary of Nordic aid. Yet, despite their similarities, China and the Nordic donors make an interesting comparison because of their assumed dissimilarity. While Chinese aid is known for its exceptional, ‘apolitical’ character, the Nordic countries have developed a reputation of exceptionalism alluding to their ‘exceptional’ orientation towards the stated objective of poverty alleviation, and the promotion of democracy and human rights.
This thesis provides a comparative analysis of Chinese and Nordic aid along the following indicators: Policy, History, Extent, Modalities, Sector Preferences, Conditions, Harmonisation, Recipient-Orientation and Trade – indicators that, I argue, cover central dimensions of a country’s foreign aid and will render possible a thorough examination of Chinese aid practices in Tanzania, compared to Nordic aid practices.

Thesis Outline

Chapter 2 will explore why I believe a case study has the greatest potential to answer my research questions. Case study research allows for the exploration and understanding of complex issues and appears as a robust research method for what I aspire to do – a holistic, in-depth investigation of Chinese and Nordic aid to Tanzania. Despite its clear advantages, it is necessary to acknowledge the limitations of the case study method. Consequently, I reflect on key methodological considerations related to my research.

Development cooperation can be understood as a process determined by the interplay of different actors, motives, considerations, interests and strategies. Accordingly, Chapter 3 covers the theorising of motives and considerations behind aid, the dominant development theories impacting on aid practice since the 1950s, and central contributions to the theorising of Nordic and Chinese aid. These perspectives will serve to guide the interpretation of the data and improve on the analysis of them.

‘China in Africa’ is by no means a new phenomenon; trade relations can be traced back to ancient times of the Tang Dynasty (le Pere & Shelton 2007). However, it is 1956, when China established diplomatic relations with the first African country that serves as the official inaugural year of the Sino-African relationship. Hence, Chapter 4 presents the historical outline of the Sino-African relationship since then, and charts central characteristics and features of the Chinese aid system, thus providing the necessary analytical background for understanding Chinese aid policy and practice in Tanzania, and for assessing how Chinese aid practice in Tanzania relates to the general Chinese approach to Africa.
Tanzania provides an interesting case with regard to aid. Despite declared visions against massive inflows of aid, with the Tanzanian leadership proclaiming that foreign aid “constitutes a danger to development” (quoted in Rist 2002: 122), aid has been steadily increasing constituting a percentage of GDP in the 40 to 60 range (see for instance Falck 1997; Rist 2002). Chapter 4 takes account for a historical outline of the Tanzanian context starting in 1967 when Tanzania’s ruling party adopted the Arusha Declaration. The outline presents trends in the economic development and the main evolutions in the international donor/Tanzanian relationship. I also chart the dominant aid modalities throughout the period, and the aggregated shifts in aid volume. The aid flows have been, as we will see, largely determined by the ‘temperature’ of the relationship. Chapter 4 then provides essential information in order to properly contextualise Chinese and Nordic aid in Tanzania, and to investigate how they relate to the dominant ‘aid tradition’ in the country.

I seek to compare Chinese and Nordic aid at two levels: policy and practice. Chapter 5 presents the findings of the policy analysis of Chinese and Nordic aid, that is, the guiding ideas, principles and perspectives as they have been expressed in recent policy documents, and with regards to Chinese policy (as China has not published any aid policy document per se); as they have been construed by scholars and academics. As such, this chapter will offer insight into the content and character of Chinese and Nordic aid policy towards Africa, and differences between them. A well-informed policy analysis will serve us well when analysing and comparing Chinese and Nordic aid practice in Tanzania, which is the main objective of Chapter 6. Here, I perform a comparative analysis of Chinese and Nordic aid practice in Tanzania along seven indicators: History, Extent, Aid modalities, Sector Preferences, Aid Conditions, Harmonisation, Recipient Orientation, and Trade-Related Cooperation. Taken together, a comparative analysis along these indicators will, I argue, enhance an understanding of how Chinese aid differs from that of Nordic aid practice in Tanzania, and how Chinese aid in Tanzania relates to the evolving international aid regime.

By now, we should have sufficient information to establish central disparities between Chinese and Nordic aid. Hence, Chapter 7 provides a concluding discussion of my findings presented in the preceding chapters, and while my main field of interest is not to investigate the effects of China’s accelerated involvement with Africa in general, and Tanzania
specifically; I dare to reflect on possible implications of China’s re-engagement with Africa in relation to Tanzania.
2. Research Method

As already mentioned, this thesis has a double ambition of describing China’s accelerated interest in Africa with reference in particular to Chinese aid, and to examine in what manner Chinese aid manifests itself in Tanzania, compared to Nordic aid. With this double ambition, the thesis will follow two main strategies: Provide a case description of Chinese and Nordic aid and examine theoretical propositions regarding Chinese aid policy and strategy. The theoretical propositions will be presented in Chapter 3. As mentioned, my main field of interest is to investigate in what manner Chinese aid practices differ from Western (read: Nordic) aid practices. This, I argue, can best be achieved by a thorough analysis of Chinese and Nordic aid at two levels – policy (as it is presented in official policy documents) and practice (actual and visible aid practices in Tanzania). In the following I will present the justification for using the case study as research method and elaborate upon the central methodological considerations behind a case study approach.

A Case Study

The scope and the context of the phenomenon to be studied – China’s foreign aid – is highly complex. It is complex because it covers a variety of seemingly intertwined channels – aid flows, trade flows and investments flows are often difficult to separate from each other; it is targeted towards an immense variety of countries – all African countries have reported of aid contributions from China (Lancaster 2007); and finally, it is complex because there is so much that is hidden, or at least not revealed. Case study research allows for the exploration and in-depth analysis of such complex issues (Zainal 2007). According to Yin (1994: 23), the case study method is “an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used”, which has a distinct advantage when ‘how and why’ are being asked about “a contemporary set of events over which the investigator has little or no control and when the focus is on a contemporary phenomenon within some real-life context” (Yin 1994: 1). Moreover, the case study method can be exploratory in character, thus exploring a subject where the existing knowledge base is poor (Yin 1994).
Knowing this, it appears that case study research has the greatest potential of giving answers to my research questions as I will be describing and analysing a complex phenomenon within its real-life context with, given its contemporary character, a poor knowledge base. Indeed, I argue that case study research, by including both qualitative and quantitative data, is the only viable method to elicit explicit and implicit data precise enough to understand the phenomena of Chinese and Nordic aid.

As China and the Nordic countries represent two cases, the thesis has a multiple case design (Yin 1994). While analysed individually, a continuous comparison of the two cases will reveal concurrence and contrast between the two cases. Furthermore, as I seek to relate the outline of Chinese and Nordic aid practices to theoretical propositions, it seems fitting to label this thesis a theoretically interpretative case study, described by C. Ragin (1994: 5) as “the process of analysing the evidence using analytic frames.” It is the theorising of development aid in general – its motives, strategies, rationales, objectives, and the theorising of Chinese and Nordic aid in particular (outlined in the following chapter) that provide ‘the analytical frames’ of my research. As such, the theoretical perspectives are what S. S. Andersen (1997: 98) refers to as “established concepts” used “to systematise similarities and differences.” Hence, by comparing Chinese and Nordic aid along my chosen indicators, I seek to establish similarities and differences, systematised and analysed with reference to the theoretical perspectives presented in Chapter 3.

There are a number of advantages with the case study method. First, as mentioned, the examination of the data is conducted within its real-life context. Second, the detailed qualitative accounts of the phenomenon allow for the description and explanation of the complexities of real-life situations which may not be captured through experimental or survey research. Third, variations in terms of intrinsic, instrumental and collective approaches to case studies allow for both quantitative and qualitative analyses of the data (Zainal 2007). On the other hand, the method has been criticized for lacking rigor. Yin (1994: 21) notes that “too many times, the case study investigator has been sloppy, and has allowed equivocal evidence or biased views to influence the direction of the findings and conclusions.” Furthermore, case studies are known to provide little basis for scientific generalisation. That is, the dependency on a single case description makes it difficult to reach a generalising conclusion. Yin (2003: 10) provides the short answer:
Case studies, like experiments, are generalisable to theoretical propositions and not to populations or universes. In this sense, the case study, like the experiment, does not represent a ‘sample’, and in doing a case study, your goal will be to expand and generalise theories (analytical generalisation) and not to enumerate frequencies (statistical generalisation).

Certainly, my intention is not to ‘enumerate frequencies’. The following section provides the central reason for why I do not necessarily aspire to generalise my findings beyond the Tanzanian context.

Validity
The study of Chinese aid strategies is ultimately a study of China’s relations with other nations – that is, its foreign policy. Chinese foreign policy has attracted attention from a multitude of analysts of which a common observation is that the topic is so complex and multifarious that it effectively defies the application of any one theory. For instance, Kim (1989: 4, 6) finds that “Chinese foreign policy behaviour seems to be in such a state of ambiguous motion that one can never fully understand what really makes it tick (...) Given the complex, involved and multidimensional nature of post-Mao Chinese foreign policy, no single concept, method, or perspective is adequate to describe and explain it.” From this, it is often inferred that it is the Chinese ‘uniqueness’ in cultural attitudes, historical legacy, ideology and geography that have come to determine the formulation of Chinese foreign policy. Yet, tacitly accepting this Chinese ‘uniqueness’ is inherently problematic, Taylor (2006) argues, as it thereby implies that China can only be properly understood through an exact analysis of its own physical or psycho-cultural histories. “It is the relationship with other states that have all influenced Chinese foreign policy” (p. 6), he claims and argues in favour of an approach that emphasises the observable behaviour of China’s interaction with the international system.

Relating it to the topic of this thesis, I do presume that there are central unique tenets that characterise Chinese aid. In fact, it is not so much my assumption as the consensual view by scholars, analysts, the media, policy makers, and indeed, the Chinese themselves. Also, I do point to central characteristics of Chinese culture, history, and governance that seemingly have impacted on the Chinese aid identity which in turn have served to shape Chinese aid strategies. As such, I argue that the distinct dynamism of China’s foreign aid strategies is rooted in China’s specific policy aspirations and agenda. It may very well be that I end up performing what Taylor refers to as an ‘esoteric analysis of Sinologues’ – an analysis so constrained to the unique case that analytical comparison becomes almost impossible. Yet,
my intention is not to present findings that necessarily must be subjected to generalisation; rather it aspires to be, in the words of Taylor (2006: 6), ‘an exercise in observation’ of China’s country-specific involvement with Tanzania. This will, I argue, if not provide the basis for generalisation; shed more light on the hitherto under-researched topic of China’s aid practices in Africa. Certainly, Tanzania – as a developing, aid-dependent country, is representative of many of the African countries in which China is heavily involved, and the pattern of Chinese engagement appears as relatively equal all across Africa.

As mentioned, the Nordic countries are chosen as the indicator of what I call ‘established aid practice’ which refers to the formulation and implementation of Western aid. May the findings on Nordic aid provide basis for generalisation to Western aid in general? Indeed, the Nordic countries are held to follow the overall shifts in the ‘Western’ donor community. Yet, the term ‘Western aid’ serves to reduce a complex set of country-specific considerations, rationales, strategies and objectives. (In fact, one may argue, this holds for the ‘Nordic aid’ term too; the Nordic countries’ aid policies and practices also do differ on some accounts.) While being aware of this limitation, I do opine that my findings on Nordic aid may be generalised to pass for the general tendencies in Western aid practice, for two reasons. The Nordic countries adhere to the Western aid tradition (for instance in their OECD membership), and they, like the other Western donors are providing aid in the North-South motion.

Yet another methodological consideration regarding validity is “whether there is a good match between researchers’ observations and the theoretical ideas they develop” (Bryman 2004: 273), that is, the credibility of the research. According to Yin (1994), source triangulation (that I will elaborate upon in the following), that is, examining converging patterns of evidence, will strengthen the validity. Also, I would argue that the ‘double’ comparison of Chinese and Nordic aid at two levels – policy and practice, will contribute to reduce the potential problem of validity. And by presenting relevant argumentation in quotes, I seek not only to illustrate my point, but also to enhance on the validity.
Triangulation

As mentioned, case study research usually implies collecting data from different sources to create a deeper understanding for the problem complex to be analysed (Bryman 2004). Hence, the empirical approach will collect data from several different sources, including official policy and strategy papers, official statistics portals, documents and reports, independent research articles, the media, and interviews. The use of more than one source of data in the study of a social phenomenon is frequently referred to as source triangulation. Accordingly, it is a means to produce a more complete and accurate picture of Chinese and Nordic aid and is, according to Yin (1994), one of the greatest strengths of case study data collection.

I will utilise two different types of source triangulation in my research. First, when analysing the aid policy of the Nordic countries and China, I will study their most recent policy documents and official statements by their respective governments,\footnote{As mentioned, with regards to Chinese aid policy, considering how China’s African policy is not an aid document per se, I will also include other data sources such as research articles and books on Chinese aid and foreign policy in order to adequately map out their stated policy. The central objective is still to develop a converging pattern of evidence from several sources.} that is – real triangulation meaning the “convergence of multiple sources of evidence” (Yin 1994: 92). Here, I seek to find the converging patterns – the guiding principles, perspectives and policy measures that characterise Nordic and Chinese aid policy. Second, when investigating Chinese and Nordic aid practices in Tanzania, I will employ multiple sources, including aid figures from the OECD Statistics Portal, official strategy papers, official statements, research reports, and newspaper articles, in order to expound on the various aspects of their aid practices, that is, “non-convergence of multiple sources of evidence” (Yin 1994: 92). While strengthening the validity of my research, triangulation may also increase on the precision, that is, by conferring with a multitude of sources, reliability is increased.

Reliability

With reliability, the central objective is to minimise errors and biases in the study. Yet, when dealing with Chinese aid the possibility of data error is impending, mainly because the Chinese are so reluctant to disclose figures on aid flows. While the OECD countries’ aid flows are gathered in the OECD Official Statistics Database that covers flows from all bilateral and multilateral donors with geographical breakdown by donor, recipient and for...
Some types of aid (grant, loan, technical co-operation) on a disbursement basis (i.e. actual expenditures), the Chinese aid flows are published peace-by-peace, some in official newspapers, some on the Chinese Government’s web site, and some in official document (of which there are not many).

Several explanations are provided on why China does not release its aid figures. First, there seems to be no clear Chinese criteria for or definition of development assistance. The blurred distinction between economic cooperation and aid complicates the report on aid figures. Second, due to the multitude of actors and ministries involved, the process of coordinating statistics is complicated and resource-demanding. Third, the ministries are too understaffed to develop the statistics. Fourth, with several ministries disbursing aid, no single, unifying aid budget exists which clearly complicates the statistical and reporting process. Finally, with Chinese aid grounded on the principle of equality and non-interference, the allocation of aid is regarded as sensitive information (Davies 2007). While the source triangulation will to some extent increase on measurement reliability, I can with certainty say that the numbers I present on Chinese aid volume are not definite. Allowing for fairly large margins of error, they may only serve to carefully indicate the pattern of Chinese aid flows. In any case, Chinese and Nordic aid volume constitutes only one of several indicators for comparison, and I opine that the weight of the analytical comparison is more on the qualitative data.

The Issue of Objectivity
Bryman (2004) indicates that there are “numerous points at which bias and the intrusion of values can occur” in social research. Definitely, values and preconceptions may impinge on the research process at any time; in the choice of research area, choice of method, formulation of design and theoretical framework, the analysis of data and the conclusions. This case study is no different from any other; it cannot be value free. This holds for the researcher’s values and potential biases in data collection and for the different sources used, especially so, I argue, with regards to media sources.

Chinese aid ‘movements’ in Africa are most often only publicised in state-owned news agencies, including People’s Daily, Xinhua and China Daily.² I have no possibility of

² Appendix A presents a typical example of such an ‘aid announcement’, published in China Daily 2001/07/18.
examining the truthfulness in these data, nor establish any possible gaps between aid commitments (as they are presented in newspaper articles) and actual disbursements. Certainly, this represents a central limitation to the study of Chinese aid. Hence, I seek to maintain a critical mind so as to minimise the potential threat of bias, and yo the best of my ability, triangulate the sources. Also, I will selectively choose additional sources from respected academics, scholars and research institutes. I will also strive to maintain the necessary distance to the study of Nordic aid, a tradition I myself as a Norwegian citizen partake in.

The following chapter will enhance a theoretical understanding of development practice, including its motives, rationale, strategies, and objectives. These perspectives, that will guide my analysis of Chinese and Nordic aid policy- and practice, are subjected to my own selectivity, which may reduce on the validity of the research. Yet, I argue that the theoretical perspectives are complementary in general, hence they will increase on the ability to discover different, and even contradicting aspects of the research unit – Chinese and Nordic aid, and that the different theoretical perspectives render possible a theory triangulation, that is, to examine the research unit from different theoretical perspectives. It is to these perspectives we now turn.
3. Theoretical Perspectives and Review of Literature

Development cooperation can be understood as a process that involves a multitude of actors, each with their own motives, interests, goals and strategies. Following this, my analytical approach to Chinese and Nordic aid policy and practice is that the formulation and implementation of these is determined by the interplay of different motives, interests, goals and strategies. This chapter seeks to enhance a theoretical understanding of the determinants of aid policy and aid behaviour. Accordingly, I will elaborate upon the theorising of motives for aid, that is, the main considerations that serve to rationalise the practice of aid giving. Further, I will present the dominant development theories and ideas that have come to impact on aid practice over the last fifty years. This, I claim, provides a necessary framework to analyse both Chinese and Nordic policy and practice and to assess in what manner their aid tradition relate to the evolving development regime. Finally, I examine existing literature on Chinese and Nordic aid which will equip us to better understand, contextualise and make sense of Chinese and Nordic aid policy as it is outlined in recent policy documents, and to better analyse and explain Chinese and Nordic aid practices in Tanzania. Taken together, the theoretical perspectives in this chapter will increase the ability to discover (potentially) different facets of Chinese and Nordic aid and, I argue, render possible a well-founded analysis of them.

The Determinants of Aid: Theoretical Perspectives

Motives for Aid

“The motives for giving and receiving development assistance vary from country to country and actor to actor. Motives have also changed significantly during the last fifty years”, J. Degnbol-Martinussen and P. Engberg-Pedersen (2003: 7) remark. Indeed, donor countries appeal to a variety of explanations to legitimise their aid to developing countries, including moral, political and commercial motives. I will elaborate upon each of these in the following.

Moral and Humanitarian Motives

Since its inception, aid has continuously been provided on the grounds of morality. In fact, according to R. Riddell (1987: 6), “the moral case was stated boldly, repeatedly and usually
without any explanations” in aid programmes of the early years. For instance, in his inaugural speech of 1949, President Truman declared that:

More than half the people of the world are living in conditions approaching misery. (...) Their poverty is a handicap and a threat both to them and to more prosperous areas. For the first time in history, humanity possesses the knowledge and the skill to relieve the suffering of these people. (...) Only by helping the least fortunate of its members to help themselves can the human family achieve the decent, satisfying life that is the right of all people (quoted in Porter 1995: 66-67, Italics added).

The moral argument for aid then is based on the idea that a person who is well endowed is obliged to help people who are poor and have poor access to resources. The emphasis can be on foreign aid as a kind of charity for the poor where the goal is to do one’s duty (as in Truman’s case), or on the poor’s right to a larger share of the world’s resources (Degnbol-Martinussen & Engberg-Pedersen 2003). In any case, the existence of any moral motivations for aid is highly disputed. First, there are those that refute the idea of ‘development’ altogether claiming that aid was never intended to solve the ‘poverty handicap’ but simply a way of allowing the industrialised north to continue its dominance of the rest of the world. In fact, from the post-development perspective, it is claimed that more so than providing the humanitarian rationale for aid, Truman’s speech presented a discursive formation through which the developing world came to be defined as backward, and in need of development intervention (Nustad 2003).

Second, some allege that governments do not have moral obligations; only individuals can act morally, while others question whether there is in fact a duty to relieve poverty, “especially when action to address these circumstances conflicts with people’s other rights” (Riddell 1987: 13). Third, some have indicated that considering how aid has not produced its intended effect – to create development, a possible moral obligation is irrelevant. Finally, some opine that moral obligations do not exist beyond national borders; rather, aid is determined by self-interest. Indeed, Stokke (et al. 1989) observes that foreign aid constitutes an element of a country’s foreign policy where the primary purpose is to pursue national interests. As such, the provision of aid may be considered, not morally induced, but rather in the country’s national self-interest.

National Self-Interest: Commercial and Political Motives
From this point of view, national self-interest is the criterion on which the decision to provide aid, or withhold it, rests. Accordingly, the main motivation is not to help countries escape
poverty – if in fact a country chooses to provide aid to assist in the relief of poverty, this may only be a ‘subsidiary advantage’ of a self-motivated interest. Rather, aid is provided so as to safeguard the donor’s economic and political interests. “From this perspective there is no particular hierarchy of international activity and no *a priori* assumption which would lead one to select humanitarian aid rather than aid that benefits commercial interests”, Riddell (1987: 61) asserts.

Several scholars have often referred to US foreign aid as predominantly self-motivated. For instance, Black finds that:

> The basic, long-range goal of foreign aid is *political*. It is not economic development *per se*. (...) Further, the growth of strong independent nations which are successfully meeting the economic, social, and political needs and demands of their people *contributes in many other ways to US interests* (1968: 18, Italics added).

Yet, Degnbol-Martinussen and Engberg-Pedersen (2003) maintain that political and commercial self-interests have seldom been the main motivation for providing aid. However, they do emphasise that donor countries may *promote* commercial interest through aid, that is, by tying it to the purchase of goods and services from their own country.

Obviously, the motives presented above do not necessarily exclude one another. For instance, a country may hold that the regard for national interests is fundamental in decisions on aid, but that the needs of the developing world provide an important moral perspective. Hence, to the extent that the provision of aid on the basis of this moral perspective is in harmony with pursuing the national interest, then aid should be granted; to the extent that it is not, then aid should be withheld (Riddell 1987).

**A Dialectic Relationship: Development Theory and Aid Practice**

In addition to motives, development theory provides an essential backdrop to understanding the formulation of aid policy, and aid behaviour. Here, the relationship is clearly bidirectional; development theory has impacted on ‘mainstream’ foreign aid practices, and in turn these experiences have fed back into the theorising about development. Development theory is structured around two concerns; the overall *objective* of development, and the *means* to achieve it. As such, the theoretical approach to development is confined to whether growth or equity is being particularly emphasised – that is, the stated goals of development aid, and whether the mechanisms to achieve it concentrate on a directed, top-down approach or a
participatory, bottom-up one – that is, the aid strategies (Hyden & Mukandala 1999). The following section provides a historical overview of the dialectic relationship between development theory and aid practice in relation to what is perceived to be the overall objective of development, and how it can best be achieved.

Development Theory Established

The theorising of development applied to the international arena can be traced back to the 1950s. In fact, 1949, the year of President Truman’s inauguration speech often serves as the foundational year of official development assistance as we know it today. During the early years, it was theories of growth that dominated the theorising of development. Heavily influenced by development economists with roots in pre-classical growth theories, these theoretical perspectives, often referred to as modernisation theories, held that the main objective of foreign aid was to accelerate growth in countries where private capital was scarce. Two key assumptions were made: aid constitutes additional resources, and these are important for accelerating growth and development (Riddell 1987). The central tenets of modernisation theory did, inter alia, rest on recent experience among Western industrialised nations, that is, the post-war economic expansion brought forward predominantly by the Marshall Aid. The modernisation theories would in turn impact on aid practice: Aid was provided as financial and technical assistance for the development of physical infrastructure, that is, as capital investment so as to accelerate growth. It was expected that modern technology and organization in turn would trickle down to all levels of society, which in turn would induce a ‘catching up’ with the more developed countries. Development was treated largely as an economic matter, yet poverty was not devoted much attention, nor social equality (Hyden & Mukandala 1999).

Leftist Criticism

During the 1960s, dissatisfaction with the dominant aid strategy’s limitations began to spread. It was argued that aid, more so than contributing to development, was creating a state of dependency. That is, the central tenet of dependency theory, which evolved much as a response to the capital-oriented modernisation theories, is that poor states are impoverished and rich ones enriched by the way poor states are integrated into the ‘world system’. Hence, it was asserted that to achieve development one would have to focus on relations among developing countries, and through improving their terms of trade. While growth remained the
central objective, the theory emphasised the need to provide attention to redistribution of resources to the poor. The central ideas of dependency theory have also come to influence the theorising of South-South cooperation. According to D. Bobiash (1992), one essential objective of South-South cooperation was precisely to reduce the unequal exchange dependency theorists claimed to be inherent in North-South interactions. The rationale was that with South-South cooperation one could avoid any unequal exchange because the developing countries shared the common conditions and problems of underdevelopment, and hence had a common interest in improving their position.

The dominant aid strategy during the 1970s took the form of integrated rural development – a strategy that was aimed at attaining the betterment of large parts of the local economy, especially the poor through redistribution of central resources. According to G. Nemes (2005), it is integrated in the sense that – as opposed to top-down development, it is controlled and managed locally; but as opposed to local development, it also leans on the professional and financial support of the centre. However, as the 1970s wore on it became increasingly clear that the integrated development projects demanded coordination of integrated services most often unrealistic in relation to the administrative capacity of developing countries (Degnbol-Martinussen & Engberg-Pedersen 2003). The lessons learnt from the 1960s and 70s were incorporated into the revised development theories that began to emerge in the 1980s.

Rightist Theories

The new theories of the 1980s, often referred to as neo-liberal theories, were advocating a return to basics, that is, a liberal market theory where the most efficient mechanism for promoting development is the market, not the state. And it was seen necessary to structurally transform the developing countries’ political economy in order to achieve economic growth. The shift away from governments as recipients of aid in development theory also led to the ‘rediscovery’ of new actors which had not been accounted for in previous theorising, including women’s groups, CBOs and informal sector entrepreneurs (Bull 2002).

The new theories were institutionalised in Structural Adjustment Programmes. These programmes, initiated in poor and debt-ridden countries sought to liberalise and remove state control in developing countries (which meant inter alia privatisation of state enterprises, trade and financial liberalisation, a balanced budget and high interest rates), and grew so dominant
that almost all bilateral donors accepted working within this framework (Hyden & Mukandala
1999). However, experiences from the structural adjustment programs of the 1980s revealed
that two decades of policy reform had failed to address properly and improve significantly the
deep-seated problem of poverty in the developing countries – in fact, there were instances
reporting on the adverse impact (Degnbol-Martinussen & Engberg-Pedersen 2003). A more
systemic approach to poverty was considered necessary, and gradually the emphasis shifted
from correcting macroeconomic imbalances and market distortions through stabilisation and
structural adjustment to facilitating poor peoples' access to human, physical and financial
assets, and high priority was assigned to social and economic development for the poor,
especially women. Practitioners advocated a pro-poor growth strategy that would change the
distribution of relative incomes to favour the poor (Bull 2002). Following the 1995 Social
Summit, the DAC (Development Assistance Committee) countries committed themselves to
assist in halving the number of people living in extreme poverty by 2015, and in 2000 the
member countries of the UN adopted the same goal in the Millennium Declaration. This
concerted effort to poverty reduction, Selbervik (2006b) comments, demonstrates that in
contrast to earlier periods where donors’ interests were defined more narrowly, the
international arena has adopted a multi-disciplinary concept of poverty, and that poverty
reduction is today viewed as part of a global strategy to achieve a more just and secure world.

The Element of Politics

The 1990s have come to incorporate two central dynamics of development theory and
practice. First, there was the integration of political liberalism into development theory, with
scholars opining that development could only be achieved with safeguards for individual civil
and political liberties. An open, transparent political administrative system that were
accountable to the citizens, control of corruption and misuse of power was held necessary to
achieve development. These ideas were institutionalised in what is often referred to as the
‘second generation of conditionality’. Whereas ‘first generation of conditionality’, initiated
and driven by the IMF and the World Bank, appointed financial mismanagement by
governments as the principal obstacle to development and where a reform of domestic
economic policy was made a condition for development assistance, the ‘second generation of
conditionality’ shifted its focus to good governance, where development aid is made
conditional upon political reform, democracy and the protection of human rights (Mushi
1995). Good governance refers to eight central policy measures; participation, which refers to
ensuring the freedom of association and expression and holding multiparty elections; rule of law, which refers to efforts to strengthen the juridical system and the police; transparency, which refers to reforms to reveal and reduce corruption; responsiveness, which implies installing mechanisms to allow citizen participation in planning and implementation; consensus orientation, which implies installing mechanisms to mediate between the interests in the society; equity and inclusiveness, which means creating laws to ensure equal rights for women, minorities and vulnerable groups; effectiveness and efficiency, which means organisational reforms to encourage more effective mobilization and use of public resources by the public sector management; and accountability, which implies installing mechanisms to evaluate the performance of political leaders (UNESCAP 2008). While criticised indeed, (for instance, the good governance agenda is accused of supposing a priori that there exists a single modus operandi for development applicable to all countries), it seems that the good governance agenda still constitutes the ‘centre of gravity’ in today’s development thinking and practice.

Second, and in relation to the former, towards the end of the 1990s, ‘human rights’ were given a more prominent role in development theory. Hence, the rights-agenda has run alongside the international re-focus on poverty reduction and human development, and the evolution of conditionality-based aid. A rights-based approach to development;

(...) sets the achievement of human rights as an objective of development. It uses thinking about human rights as the scaffolding of development policy. It invokes the international apparatus of human rights accountability in support of development action. In all of these, it is concerned not just with civil and political (CP) rights (the right to a trial, not to be tortured), but also with economic, social and cultural (ESC) rights (the right to food, housing, a job) (ODI report 1999: 1, Italics added).

The rights-based model has, according to Uvin (2004), led to a more macro-institutional approach to development, of which the central objective has been to empower people through legal and policy reforms in order for them to enjoy their rights. It has been argued that taking a rights-based approach to development may serve to balance the power dynamic between donors and recipients when ‘universal’ human rights provide the policy measure, while others opine that all the while human rights standards are based on Western moral judgements, the power imbalance remains (Ellis 2006).
Summing Up

Degnbol-Martinussen and Engberg-Pedersen (2003: 53) observe that; “Foreign aid (...) involves an increasing number of aspects of society’s development in developing countries.” Certainly, from a unilateral focus on growth acceleration and aid as capital investment, development is today viewed as a *multidimensional process*. Foreign aid too has broadened in scope and intention, encapsulating *inter alia* the social sector, public financial management, the private sector, governance, and human rights. In the following we will see how scholars relate Nordic and Chinese aid to these theoretical perspectives on development aid.

Nordic and Chinese Aid: Existing Literature and Theoretical Perspectives

Compared to the existing literature on Nordic aid, and indeed also the literature on Chinese foreign policy, the study of Chinese aid to developing countries has been a neglected theme. While China has provided aid to Africa for just as long as the Nordic countries – more than forty years, it is only during the last 8-10 years that scholars and researchers have gained a significant interest in China’s strategic approach to the developing world. The word *strategic* is used deliberately because it serves to summarise much of what is written on China’s engagement with Africa: Chinese aid is designed and planned to serve a particular purpose – to promote its ideological and/or economic influence. As we will see, this differs significantly from most of what is written on Nordic aid.

Theorising Nordic Aid

The theorising of Nordic aid is comprehensive – for several reasons. First, all four countries, especially the Scandinavian countries, have a *long* tradition of *extensive* aid contributions to the *poorest* countries. Second, and related to the former, the Nordic countries are devoted special attention due to their reputation of ‘exceptionalism’ in development aid. As mentioned, this label alludes to the ‘exceptionally’ noble and disinterested motives behind Nordic development assistance, their ‘exceptional’ munificence, and their ‘exceptionally’ strong poverty orientation. A disputed label without question, yet several scholars find it well deserved, and present the Nordic countries’ aid policies as ‘ideal practitioners’ of Western aid policy. For instance, Alesina and Dollar (1998) analysed OECD data on bilateral aid flows between 1970 and 1994, and found that: “Certain donors (notably the Nordic countries) seem
to respond more to the ‘correct’ incentives, namely income level, good institutions of the receiving countries, and openness” (p. 1), compared to “other donors (notably France) [that give to] former colonies tied by political alliances without much regard to other factors, including poverty levels or choice of socio-political regime. The United States’ pattern of aid giving is vastly influenced by that country’s interest in the Middle East.” (p. 2). In a similar study, Gates and Hoeffler (2004) conclude that “Nordic aid allocation seems remarkably free from self-interest and, indeed, more oriented towards their stated objectives of poverty alleviation, the promotion of democracy and human rights.” Similar findings have also been reported by the World Bank: “In the Nordic countries, strategic variables – such as colonial past or United Nations voting patterns – play almost no part in allocations. Nordic aid is targeted to the poorest countries, favouring open economies, and democracy” (1998: 16, Italics added).

When attempting to explain the ‘exceptionally’ right policies of Nordic development assistance, Gates and Hoeffler (2004) point to (seemingly) factual observations: None of the Nordic countries have ever been a colonial power and they are all small countries. Arguably, they have no intention of fostering global strategic interests; rather a systemic interest in international peace and economic stability. They also credit the social democratic welfare state, ‘where all citizens are entitled to welfare’, for the generous pro-poor development strategies. They argue (2004: 6-7):

This principle of universality generates a shared conception of citizenship and social spending is comparatively high in Nordic countries. Moreover, this system of socio-political values does not only provide the determinants for domestic but also for international justice. Foreign aid can thus be seen as an extension of the principles of the welfare state beyond the domestic borders.

Inasmuch as domestic socio-political values are extended to the international level by means of aid policy, one would expect the policy declarations to reflect these values, and the means to promote them. Indeed, a comparative analysis of the aid policies of Western middle powers conclude that socio-political welfare values are the most fundamental determinants of the aid policies of Norway, Denmark and Sweden (Stokke et al. 1989). That is, the stated policies of these countries reflect the values of social justice, humanitarianism, solidarity and equality, and express an idea of promoting an equitable economic development that actually benefits the poor. They also find that these Western middle powers encourage an open, democratic and pluralistic society with an interventionist state – a finding that seemingly correlates with
Ofstad and Tjønneland’s (1999) analysis of the Norwegian approach to poverty reduction. The Norwegian approach, they argue, aspires to promote a developmental state; a balanced and equitable economic growth; the provision of social services; empowerment of the poor; an open, democratic society; and equal participation, opportunities and rights for women.

The motivational factors behind the provision of Nordic foreign aid have also been explained with reference to the socio-political values on which these countries build. Accordingly, compared to other bilateral donors, the Nordic aid rationale is more strongly founded on considerations of moral obligations and humanitarian concerns with assisting the poor (see for instance Selbervik 2006b; Stokke 2005; Olsen 2005). That is, the Nordic countries, whose own societies build on a humanitarian tradition and a welfare state ideology, are morally committed to extend these assets to the international community. For instance, when analysing Swedish development assistance, Kärre and Svensson (1989: 231) find that: “The main reason that Sweden takes part in development co-operation is that solidarity with the underprivileged is regarded as moral responsibility. It is a reflection of the practice within Sweden, where assistance is given to people who are in difficulty.” It is findings such as these that brings Stokke (1989) to conclude that in Nordic policy documents, the provision of aid is presented as an altruistic experiment with altruistic motives as determinative where prospective sub-motives are formulated in general terms, such as for instance ‘pursuance of peace and international stability’.

Yet, Svendsen (1989), analysing Danish aid, warns against a stylised presentation of the motivational factors behind Nordic aid. Underlying the formulation of Danish development policy, Svendsen (1989: 41) observes, there is a diversity of interests, “some of them attributable to social divisions on other policy issues [than that of aid].” Also, Koponen (2005) analysing Finnish aid, argues that while Finnish aid seemingly rests on a developmentalist platform, it has predominantly been motivated by instrumentalist concerns, such as political and commercial interests. However, some scholars do allege that recent policy documents on Finnish aid carefully suggest that Finland’s development policy is merging with the remainder Nordic Plus Group policies’ (Selbervik 2006b).3 When Selbervik (2006b) claims that “even if the rhetoric may suggest otherwise, it seems as if these ‘other

3 Denmark, Finland, Ireland, the Netherlands, Norway, Sweden, and the UK.
interests’ such as political, diplomatic and security interests are on the increase in all the Nordic countries” (p. 6), it seems fitting to ask whether it is Finnish aid policy that is approaching the other Nordic countries, or if in fact it is the other way around.

Yet, this seemingly rosy exposé of Nordic aid is by no means consensual. First, K. Nustad (2003) for instance finds that the portrayal of Norway as a small-state with no colonial history is not only incomplete, it is incorrect. Denmark-Norway had colonies in India, Africa and America. Also, as a European country, (and this holds for the other Nordic countries too), Norway has participated in ‘the European expansion’ (that is, the European colonisation) and has as such, been part of a tradition of exploitation. Nustad (2003), belonging to the post-development school, alleges that the asymmetrical relationship between colonizer and colony did not cease to exist with the inception of development assistance in the 1940s; rather it was redefined as a relationship between developer and undeveloped – which Norway has, by virtue of residing on the dominant side of the relationship, derived advantage from. Accordingly, it appears that Nustad (2003), rather than upholding the exceptionality of Norwegian aid, concludes that Norwegian aid is not solely founded on humanitarian considerations but part of the tradition of Western dominion that several scholars claim is Nordic aid characterisation improper.

Theorising Chinese Aid
B. D. Larkin (1971) was the first to seriously examine China’s aid activities in Africa. In his article “China and Africa” he claims that China’s approach to Africa between 1949 and 1971 was determined by two strategic considerations; Africa was regarded as fertile ground for the export of the Chinese revolutionary model, and by the acknowledged need to avoid alienation of friendly or neutral governments. In the years that followed, several scholars sought to elaborate upon this thesis. Hutchison (1975) too considered the Chinese revolutionary model and the desire of the People’s Republic of China (PRC) to export this to China as a determinative factor behind China’s policy in Africa. In fact, he alleged that the PRC moved in to fill a vacuum left by the retreat of the colonial powers. It has been argued however, that more so than filling a vacuum China was seeking to prevent the development of an alternative hegemonic threat – the United States (Taylor 2006). Most importantly, they agreed on the centrality of ideological considerations in influencing China’s behaviour in Africa. So did Yu (1975) – China’s relations with Africa in general and Tanzania specifically is analysed as a
strategic alliance that, again, allowed China to manifest its presence on the African continent and to support revolutionary struggles while it provided Tanzania with an alternate source of aid different from that of the Western countries. Aid, he claims, greatly impacted on the cooperative relationship between the two countries. In fact, Yu finds that China’s strategic approach to Tanzania relied almost exclusively upon what he refers to as attractive power, which includes informal foreign policy instruments such as the appeal of the Chinese international and development model, economic aid, and technical assistance.

Indeed, increasingly scholars have come to undertake an instrumentalist approach to China’s aid strategy, analysing it as but one tool in China’s array of soft power instruments. In his book “Charm Offensive” for instance, Kurlantzick (2007) claims that China has developed its “own set of power tools” – tools of culture and business, to strategically pursue not so much ideological as economic interests on the African continent. As such, Kurlantzick’s analysis incorporates two central theses that have come to characterise scholars’ (predominantly Western) approach towards the evolving Sino-African relationship: First, while obviously driven by a multitude of factors, increasingly Chinese policy in Africa is economically motivated – more specifically to fuel it’s growing economy’s thirst for natural resources and energy supplies. Second, China’s Africa-approach appears, more so than ever, as multidimensional and sophisticated – the Chinese ‘tools of influence’ are wide-ranging, covering inter alia trade, aid, investments, culture, public diplomacy, leadership, and migration.

**Driving Forces: Theorising Chinese Engagement**

As we have seen, the study of the Sino-African relationship has been, and still is an exercise in rationalization – scholars are seeking to make sense of China’s policy in Africa; the driving motives, the central objectives and the means to achieve them. There seems to exist some sort of a consensual agreement that ideology – and ideological considerations, has been central feature of China’s African policy. Yet, studies that relegate China’s activities in Africa to mere responsiveness to what is referred to as “Superpower activity” will fail to explain the continuation of China’s presence in the continent after the collapse of communism, Taylor (2006) claims and finds it essential to fathom China’s “dynamism of its own” – that China’s relations with Africa are rooted in China’s specific policy aspirations and agenda. Indeed, as mentioned, several scholars opine that China’s policy in Africa is so multifarious and

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complex that it defies the application of any one theory, from which the interference is that China’s approach toward Africa must be contextualised with reference to the broader global contemporary situation, the influence of the international system on the PRC’s policy behaviour, and the domestic concerns of the PRC. Observing this, L. Anshan (2007) remarks that to accurately analyse China’s strategic considerations in the Sino-African relationship, it is important to understand both aspects of continuity and more recent changes in China’s African approach, the most recent change being China’s booming economy and hunger for African raw materials. For instance, H. Wenping (2007: 3) asserts that: “Africa’s rich-produced natural resources and potential market advantages have great strategic meaning to China’s economic development in the 21st century. With China’s rapid pace of modernisation and reform, China must expand into new overseas markets and secure the supply of raw materials.” Following this, several scholars find that China is careful to cultivate relations with its largest trade partners in Africa, including Nigeria, Sudan, South Africa, Zimbabwe and Angola. Yet, effectively reducing a complex set of considerations to a mere quest for resources and economic influence is problematic, Wenping (2007) argues. Chinese engagement with Africa is also driven by political considerations: “Africa accounts for almost one half of the non-aligned nations and a full third of United Nations member countries, all of which have demonstrated themselves as reliable supporters of China’s position in opposing hegemonism and power politics” (p. 27). For instance, prior to 2004, the United States brought 11 proposals against China for its human rights record at the United Nations Conference on Human Rights. African nations, holding 15 of the 53 sets at the Commission, helped to block the proposals. “China could not have defeated such proposals without the stalwart support of Africa”, she claims (p.27).

Indeed, several scholars emphasise that China’s African policy is not “just the by-product of China’s recently booming economy and soaring demand for African raw materials” (Thompson 2005: 1). Rather, China’s influence is the result of many years of investment in building relations through trade, aid, and cultural and technical exchange – that is, through distinct tools of influence.

*Tools of Influence: Theorising China’s Soft Power Strategy*
A state’s ability to extend its influence has been said to be a function of its economic resources. In China’s instance, Yu (1975) argues, this should read that a state’s ability to
extend its influence is a function of the select allocation of its economic resources, of which he opines that China’s foreign policy instruments reflect a conscious choice – that is, China has deliberately relied upon its ‘attractive power’ in Africa. Since then, the theorising about China’s attractive tools of influence (more commonly referred to as China’s soft power) has gained momentum. It is widely recognized that “the rise of China’s international influence is also contingent on the growth of its soft power” (Wenping 2007: 28).

The term soft power was initially coined by J. Nye in 1990. Following Nye’s formulation, ‘soft power’ includes a country’s culture, political values, foreign policies, and economic attraction as essential components of national strength, providing the capacity to persuade other nations to willingly adopt the same goals (Thompson 2005). Hence, soft power refers to a nation gaining influence abroad by persuasion and appeal. “The Chinese have historically had a very well-established network for promoting this kind of influence” (Pan 2006: 1). According to Kurlantzick (2007), China utilises two tools of soft power influence – the tools of culture, and the tools of business.

The Chinese tools of culture and diplomacy relate to Chinese culture and arts and language and ethnicity. Examples include the eleven-nation performance tour entitled “Voyage of Chinese Culture to Africa” to celebrate the six hundredth anniversary of the voyages of Zheng He to the African coast, the hosting of overseas scholars, the expanded reach of Chinese media, the recent investment in its diplomatic corps, constant visits by senior Chinese officials to developing nations with continuous coverage by the Chinese media, the establishment of Chinese culture and Chinese language studies, and Confucius institutes in foreign countries (Kurlantzick 2007).

The Chinese tools of business include trade, investment, aid, and the appeal of China’s economic model. Also, China’s appeal to the developing world rests also on portraying China’s potential as an investor. During the late 1990s and early 2000s, the Chinese government selected thirty to fifty top Chinese companies to take the lead in overseas investment; they were given a range of benefits that would help them compete. Chinese exports appeal to a wide section of African consumers because they are often far cheaper than European or American goods. Also, China signs free trade deals and make trade concessions with developing nations to reassure these countries of their harmless strategy. According to
Kurlantzick (2006), a true understanding of Chinese aid must go beyond traditional definitions and include soft loans given by Chinese banks.

**Summing Up**

From the outline of the central contributions to development theory and the study of Nordic and Chinese aid, it appears clear that the two ‘aid regimes’ are rationalised with reference to different motives and objectives. Indeed, at first sight the two donor traditions seem poles apart. From the literature on Nordic aid, characterisations such as poverty-oriented, free from self-interest and keen promoters of human rights and democracy are recurring, whereas Chinese aid on the other hand is characterised as strategic, self-motivated, and instrumentalist. As such, they are both presented as ‘exceptional’ in one way: Nordic aid is portrayed as ‘exceptional’ within the Western aid regime, whereas Chinese aid is presented as ‘exceptional’ to the Western aid regime. Yet, as we have seen, scholars do suggest that Nordic aid is little different from that of other European countries. That is, it too can be presented as instrumentalist.

The following chapter will outline the main events in the Sino-African relationship and present some central characterisations of Chinese aid. While intended to serve as background information, it may also help us establish whether there is in fact a distinct ‘Chinese dynamism’ in Chinese aid as scholars commonly assume.
4. Background

China’s March into Africa: An overview of Sino-African relations

Whereas trade relations can be traced back to ancient times of the Tang Dynasty (AD 618-907), it is 1956, when China established diplomatic relations with the first African country (Egypt) that serves as the official inaugural year of the Sino-African relationship (le Pere & Shelton 2007). Since then the PRC has formed diplomatic relations with 48 African countries founded on the doctrine of the “Five Principles of Peaceful Coexistence”. These principles – Mutual respect for each other’s territorial integrity and sovereignty; Mutual non-aggression; Mutual non-interference in each other’s internal affairs; Equality and mutual benefit; and Peaceful co-existence, which were first adopted by China and India in 1954, have been normative for China’s diplomatic relations with African countries (Davies 2007). The 50 year-long Sino-African relationship can be depicted as an evolution through four phases: Ideology, Pragmatism, Win-Win Cooperation, and Going Global (based on similar typologies by Bräutigam 2007; Davies 2007; and Eisenman 2007).

Ideology and Fast Expansion: The 1950s and 60s
From the time when President Mao Zedung declared that China would “ally [itself] with the Soviet Union, with the People’s Democracies and with the proletariat and the broad masses of the people in all countries, and form an international united front” (quoted in Mitchell & McGiffert 2007: 14), ideology served as the main motivation and characterisation of Sino-African relations throughout the 1950s and 60s. During this period, China’s pro-USSR policy was concentrated on supporting anti-imperialist, anti-colonialist, and anti-revisionist struggles in Africa. A common heritage of oppression by colonialists served to rationalise Chinese development assistance aimed at supporting national independence. China launched its first aid programme in 1956 and continued to provide substantial assistance to socialist countries throughout the 1960s, funding primarily the construction of stadiums, hospitals, railroads, mills, and other infrastructure (Davies 2007).

In 1964, during a six-week tour to ten African countries, Premier Zhou Enlai presented China’s “Eight Principles of Economic Assistance”. These principles would guide Chinese
aid policy towards the continent – and in fact they still do.\(^4\) According to these principles, Chinese aid would be based on the principles of equality, mutual benefit and respect for the sovereignty of the recipient. It would be provided as interest-free, non-conditional loans with repayment easily rescheduled. And it would support income-generating projects constructed with top-quality Chinese equipment and material at international prices with experts who would transfer their technical knowledge at the standard of their local counterparts. Thus, one may argue that already then unique features of Chinese aid were discernible: the frank emphasis on mutual benefit and the pledge of non-interference. Premier Zhou Enlai’s tour would accelerate Chinese aid contribution towards Africa: Between 1964 and 1970 Chinese foreign aid was 114 percent higher than the previous 14 years (Ping 1999: 167). The period was indeed characterised by a strong focus on Africa. First, of the twenty-three new countries to receive Chinese aid between 1961 and 1971, sixteen were African (Bräutigam 2007: 10). Second, it was during this period, in 1967, that China agreed to finance and build its hitherto largest development project – a 1,860 km long railway between Tanzania and Zambia financed under Chinese aid at the total cost of an estimated US$600 million (Yu 1975).

Pragmatism and modest interaction: The 1970s and early 80s
Throughout the 1970s, following the failure of the Great Leap Forward and the Cultural Revolution and deteriorating relations with the Soviet Union, China experienced a period of economic decline and domestic unrest which inflicted a more pragmatic approach towards Africa with China willing to grant ideological autonomy to its African partners (Eisenman 2007). Following President Deng Xiaoping’s announcement that “we shall concentrate on

\(^4\) The complete text of the “Eight Principles” reads: a. The Chinese Government always bases itself on the principle of equality and mutual benefit in providing aid to other countries. It never regards such aid as a kind of unilateral alms but as something mutual. b. In providing aid to other countries, the Chinese Government strictly respects the sovereignty of the recipient countries, and never attaches any conditions or asks for any privileges. c. China provides economic aid in the form of interest-free or low-interest loans and extends the time limit for repayment when necessary so as to lighten the burden of the recipient countries as far as possible. d. In providing aid to other countries, the purpose of the Chinese Government is not to make the recipient countries dependent on China but to help them embark step by step on the road of self-reliance and independent economic development. e. The Chinese Government tries its best to help the recipient countries build projects which require less investment while yielding quicker results, so that the recipient governments may increase their income and accumulate capital. f. The Chinese Government provides the best-quality equipment and material of its own manufacture at international market prices. If the equipment and material provided by the Chinese Government are not up to the agreed specifications and quality, the Chinese Government undertakes to replace them. g. In providing any technical assistance, the Chinese Government will see to it that the personnel of the recipient country fully master such technique. h. The experts dispatched by China to help in construction in the recipient countries will have the same standard of living as the experts of the recipient country. The Chinese experts are not allowed to make any special demands or enjoy any special amenities (China 2000/11/17).

Win-Win Cooperation and Rediscovery: The mid-1980s to the early 90s
The 1980s saw the subtle beginning of a major reshaping of Chinese aid that would blur the lines between foreign aid and other forms of economic cooperation. The 12th CPC (Communist Party of China) National Assembly in 1982 officially marked a shift in policy away from “war and revolution” and “economy serves diplomacy” to “peace and development” and “diplomacy serves the economy” (Anshan 2007: 3). Later that same year, during a visit to Africa, Premier Zhao Ziyang presented “Four Principles on Economic and Technological Cooperation”, 5 that, the Beijing Review commented were “aimed at gradually switching the emphasis of China’s co-operative economic and technical relations with other Third World countries from extending loans to developing co-operation which can benefit both partners” (quoted in Bräutigam 2007: 11). Again, it seems that the Chinese visit served to accelerate the Chinese aid flow: Between 1982 and 1984, China’s aid commitments to Africa increased from 14 to 259 (Anshan 2007: 9), and by 1984, Chinese aid commitments to Africa alone amounted to US$258.9, surpassing Japan, Norway, the UK and Sweden (Bräutigam 2007: 11).

Also, the forms of Chinese aid diversified and the projects appeared, according to Bräutigam (2007) more as technical cooperation programs with a more pronounced economic profile. For instance, China entered into tripartite agreements where China provided equipment and material to a project financed by another donor, encouraged debt-equity swaps where China allowed debtor countries to invest part of their loan debt in joint ventures, and provided so-called assisted sustainability aid – funding, material and expertise to renovate old Chinese

5 The “Four Principles” were: Equality and mutual benefit; Stressing practical results; Diversity in forms of interaction; and Attainment of common progress (Tjønneland et al. 2006: 48).
projects in which it was common practice for the Chinese construction teams to remain in the African country after completion to set up joint ventures with a local partner (Bräutigam 2007).

Going Global: The mid-1990s to the present
The win-win cooperation of the 1980s has continued to expand throughout the 1990s and the 2000s. Aid has grown steadily, and Sino-African trade has increased rapidly. (According to Lammers 2008: 8, the trade volume increased 700 percent during the 1990s.) Indeed, trade and access to raw materials have become central factors of Sino-African cooperation during the last years. As mentioned, several opine that it is China’s quest for natural resources alone that guides China’s aid assistance to Africa. Yet, Bräutigam (2007) observes that there is not much evidence that the aid programs in themselves are skewed in that direction – Chinese aid is still provided for building hospitals, stadiums, mills etc. and China continues to dispatch doctors and technical experts to all of the African countries where it has diplomatic ties.

Yet, recent events do seemingly bear witness of China undertaking a more holistic, wide-ranging African policy where aid is but one component of China’s economic relations with African countries. For instance, in 2006, China published its first policy document that synthesised China’s objectives behind Sino-African cooperation, its measures to achieve them, and its proposals for extended cooperation within the political field; the economic field, including trade, aid and investments; education, science, culture, health and social aspects; and peace and security. Later that same year, Beijing hosted the Third Ministerial Conference of the Forum of China-Africa Cooperation (FOCAC). Founded in 2000, FOCAC serves as a mechanism for routine meetings between 48 Africa countries and China, which have resulted in ambitious action plans for enhanced cooperation (Davies 2007). In the Beijing Action Plan (2007-2009), referred to earlier, China commits itself inter alia to double the size of its assistance by 2009, to exempt debt, to promote Chinese investment, to strengthen trade cooperation and to assist African countries within the fields of human resources development, culture, education, health, environmental protection, tourism etc. (FOCAC 2006/11/05).

Continuity and Change
Since its inception in 1956, China’s foreign aid strategy in Africa has certainly evolved: It has shifted from a predominantly ideologically motivated single, project aid strategy based on
unitary forms of political contact to an extended win-win strategy covering multiple forms of cooperation with ever-increasing intensification. Yet, its guiding principles – equality, mutual benefit, non-conditional aid, has remained unchanged. Also, the ‘One China’ principle, in which China repudiates diplomatic relations with countries that acknowledge Taiwan, has remained normative for Chinese relations with Africa. For instance, China’s African Policy of 2006 declares that “the One China principle is the political foundation for the establishment and development of China’s relations with African countries” (p. 1). Yet, according to Davies (2007), Chinese assistance is also channelled to countries that do not recognise the ‘One China’ principle.

Furthermore, the historical outline demonstrates that the Chinese did not leave Africa during the 1980s period – an impression often conveyed in reports on China’s recent re-engagement with Africa. Thus, China’s vastly increased involvement with Africa is not a re-entry per se; rather it is a deepened and strengthened presence on a continent with which it has been more of less involved for fifty years. In what scale are they involved as a donor of Chinese aid in Africa? It is to this contentious topic we now turn.

The Chinese Aid System: Scope and Characteristics

With the Chinese unwilling to disclose any official figures of the total amount of Chinese aid to Africa, we are left with qualitative guesswork. With observers and scholars eager to establish the ‘sensational’ scope and extent of Chinese aid, any figures of Chinese aid has often been presented as hard facts. For instance, some have claimed that China’s aid to Africa in 2006 was “three times the total development aid given by rich countries”, while others assert that Chinese loans to Africa totalled US$8.1 billion in 2006, which would exceed the World Bank loans by three times over (Bräutigam 2007: 18). Yet more sober estimates range from US$1.5-2 billion (Lancaster 2007) to US$2.7 billion (Kurlantzick 2007). There are several reasons for these wide-ranging estimations of Chinese aid volumes: The lack of any official Chinese figures on development assistance (dealt with in Chapter 2); China’s highly integrated aid/trade/investment strategy, which makes it difficult to establish what is aid and what is trade or investments; and finally, while most Western countries adhere to the OECD definition of official development assistance as “grants and loans that are intended primarily
to foster development in the recipient, and that have at least a 25 percent grant element” (DAC 2008), and several scholars find it likely that the Chinese operate with at least a similar definition of aid – there exists no consensual definition of Chinese aid (Tjønneland et al. 2006). Inasmuch as China does not disclose the grant element of their development assistance, it is difficult to establish with absolute certainty whether it qualifies as Official Development Assistance (ODA ) or not. Yet, Bräutigam (2007: 19, Italics added) ventures at claiming that “very few of the large economic transactions between China and the developing countries [can] actually qualify as official development assistance.” The US$3 billion in Chinese concessional loans pledged at the Beijing Summit in 2006 may qualify as ODA (see p. 1), but it is more likely that it fits with OECD definition of “Other Official Flows” defined as loans with a grant element of less than 25 percent, and as bilateral transactions that are primarily export-facilitating in purpose (in Bräutigam 2007: 19).

To state the obvious: we cannot say for sure how much aid China gives to Africa. Yet, Bräutigam presents a line of reasoning that does carry conviction; mainly because it is based on figures from China’s Statistical Yearbook and statements by Chinese leaders (one should not to fail to mention that many scholars opine that the Chinese leaders often understate Chinese aid):

> China’s annual aid budget for foreign has expanded over the past ten years from around US$450 million per year [China Statistical Yearbook 2003-2006] to an estimated US$1.4 billion for 2007. In 2003, Minister of Foreign Affairs Li Zhaoxing reported to FOCAC that aid to African countries absorbed 44 percent of China’s total aid. If we assume this figure has been a steady percentage, this would make China’s aid budget for Africa approximately US$462 million in 2006, and US$616 million in 2007. Doubling aid by 2009 as promised would bring the aid budget for African aid to approximately US$1 billion per year. (...) If we take the promise of US$1 billion in concessional loans per year for three years to be ODA qualified loans, and add it to the official figure of budgeted aid (my estimate) of around US$616 million in 2006, we have a figure of around US$1.6 billion for ODA in 2007; this should rise to around US$2 billion in 2009 (Bräutigam 2007: 20-23). 

These numbers correlate with Lancaster’s (2007: 4) figures on Chinese aid of “somewhere between US$1.5 and 2 billion.” Yet, both Bräutigam and Lancaster base their estimations solely on figures from the MOFCOM budget, excluding possible aid disbursement from other government agencies. Nor are these figures calculated by the Chinese government itself, hence difficult, probably impossible, to account for (Tjønneland et al. 2006). What we can establish with certainty is that while Chinese aid is growing rapidly, it is still lower than most of the DAC donors – in fact, their aid volume assemble the smaller donors such as Austria,
Belgium and Switzerland (Lancaster 2007), and significantly lower than the OECD total of which grants alone amounted to US$30.7 billion in 2005 (Bräutigam 2007: 34).

Chinese aid is dominated by the following three forms: grants (most often provided in kind as equipment or technical support), zero-interest loans and since 1995, low-interest concessional loans with subsidized interest rate. Holding limited investment reserves and in inconvertible Chinese Yuan, yet producing eligible equipment and material at a low-cost, providing assistance in the form of complete projects have best suited China (Ping 1999). Over the years, China has reportedly financed more than 800 projects in Africa of which infrastructure projects, including railroads, textile mills, saw mills, factories, sugar refineries etc., constitute the most significant components (Wenping 2007: 11). Chinese aid has also financed hospitals, schools, stadiums, government buildings and conference centres. Also, Chinese assistance is provided in the form of technical assistance and human resource development (training for people). Since the 1950s, China has reportedly dispatched 16,000 medical personnel to Africa, in addition to agricultural experts, engineers and workers ( ). Both with regards to project aid and technical support, aid is provided towards sectors of Chinese competence, that is, agriculture, construction, industry and health.

The concessional loans are provided by the China Exim Bank with the stated aims of “promot[ing] economic development and improve living standards in developing countries [and to] boost economic cooperation between developing countries and China” (China Exim Bank 2008). These loans are “medium and long-term, low interest rate credit extended by the Bank under the designation of the Chinese Government, to the Government of the Borrowing Country with the nature of official assistance” (China Exim Bank 2008). Central criteria are that Chinese enterprises should be selected as contractors, and that at least 50 percent of the necessary equipment, materials, technology or services are procured from China. That is, the loans are tied to the purchase of goods and services from China. This holds for most of Chinese aid to Africa. Usually, 70 percent of Chinese aid is tied to state-owned, Chinese companies, with the remaining 30 percent to local firms (Financial Times 2007/06/25).

Involved in the Chinese aid process are the following actors: The State Council (composed of the premier, vice-premiers, state councillors, ministers, the auditor-general and the secretary-general) that is the highest executive organ and may rectify decisions by the Ministry of
Commerce that formulates and implements China’s foreign aid policies, compiles and executes the aid programs, and manages aid funds; the Ministry of Foreign Affairs that partakes in policy formulation; the Ministry of Finance that manages and negotiates the aid budget; the Embassies that monitor the implementation of projects and report to the Ministry of Commerce (MOFCOM), yet have little influence beyond that; the China Exim Bank that manages provision of concessional loans; and the Ministry of Health, the Ministry of Agriculture, and the Ministry of Science and Technology that manage the aid projects within their respective fields of competence (Davies 2007).

Summing Up
While it seems that Chinese aid to Africa is rapidly increasing, Chinese aid still remains moderate. First, we have seen that compared to the OECD total, the US$1.5 to 2 million (provided these figures are accurate) of Chinese aid is relatively unassuming – especially so, and this makes the second point, because these funds are shared between more than fifty African countries. Thus, when China pledges to set up 30 malaria prevention centres in Africa, this cannot even serve to benefit all of its aid recipients. Yet, given China’s rapid economic growth in recent years, it is reason to expect that as with Sino-African trade, aid too may boost.

Furthermore, we have seen that it is the Ministry of Commerce, and not the Ministry of Foreign Affairs (as it is in the Western countries) that formulates and implements China’s aid projects – which are most often funded by the purchase of Chinese goods and services. We now turn to the case of Tanzania.

The Case of Tanzania: Visioning Self-Reliance

Historical Outline
In 1967, three years after the merger of Tanganyika and Zanzibar and the founding of the New Republic of Tanzania, Tanzania’s ruling party, TANU, adopted the Arusha Declaration. The Declaration – written in a time of economic decline brought on by a colonial legacy of exploitation, presented Tanzania’s visions of self-reliance and economic prosperity. It took an unequivocal stand of foreign aid, claiming that it constituted a ‘danger to independence’
(quoted in Rist 2002: 122). Rather, it was ‘hard work plus intelligence’ that was the ‘root of development’. Through centralist planning, the nationalisation of key sectors, the creation of public enterprises and nucleated settlements called Ujamaa villages Tanzania would escape its economic predicament. “In order to maintain our independence and our people’s freedom, we ought to be self-reliant in every possible way and avoid depending upon other countries for assistance”, the Declaration read. In view of this, it is a paradox indeed that Tanzania’s lofty visions of self-reliance would in fact attract large sums of donor fund that, over the years have made Tanzania completely dependent upon foreign aid. In fact, what is referred to as Tanzania’s First Aid Boom occurred in the years following the Declaration: Between 1970 and 1979, ODA increased almost nine-fold from US$53 million to US$458 million (OECD Statistics Portal). Why then would Tanzania, who declaredly opposed aid dependence, accept the massive aid inflow? The answer is complex and beyond the scope of this thesis, yet two central factors deserve mentioning. First, the economic situation in Tanzania was acute – the level of industrial development and urbanisation was remarkably low compared to other African countries, and when the few manufacturing companies and financial institutions that operated in the country were foreign-owned and controlled, the major share of the economic surplus went abroad while Tanzania was forced to import more than 70 percent of manufactured goods. Consequently, Tanzania was highly dependent upon external finance (Havnevik et al. 1988). Second, the First Aid Boom parallels the ambitious growth theories of which the fundamental view was that foreign aid could supplement domestic efforts to spur economic growth, or in the words of the Arusha Declaration – ‘to act as a catalyst to own efforts’. The dire need for external financing and the prevailing confidence in the developmental impact of foreign aid at the time may have incited a more liberal attitude towards aid as a source of finance. Indeed, the development assistance of the early years matched Tanzania’s preferences to a large extent: It was provided as project aid (that implies a central role to the state), and it was targeting Tanzania’s key sectors of priority – agriculture and industry (Falck 1997).

As it was, during the early years of the First Aid Boom Tanzania successfully implemented several programs such as ‘Free Universal Primary Education’, ‘Provision of Clean Water’, ‘Health for All’, and conducted several mass literacy campaigns. Also, reportedly due to import substitution of the manufacturing industry, the share of domestic production increased from 29.6 percent in 1961, to 42.5 percent in 1973 (Havnevik et al. 1988: 75). Yet, a few
years of progress backed by extensive development assistance could not protect Tanzania from the series of shocks that hit the economy all through the 1970s. Beginning in 1973, Tanzania went through a period of severe drought, followed by a widespread discontent with the Ujaama villages; then the oil price rose considerably; the East African Community collapsed; the war with Uganda commenced; the crops failed due to bad weather conditions; and the export prices declined. As a result, agricultural production dropped and capacity utilisation in industry declined significantly. What is more, the provision of social services, health, education and water could no longer be sustained, and both quality and quantity declined dramatically from the late 1970s onwards (Havnevik et al. 1988).

With Tanzania’s economy rapidly deteriorating, the situation provided “fertile ground for conditionality”, Mushi (1995: 232) comments. Following international trends, the donor community in Tanzania now advanced demands on economic policy reforms upon the provision of funds. In 1980, the IMF presented a package that contained a typical set of conditions including revaluation, constraints on the growth of credit and government deficits, reduction in external arrears and limits on new borrowing. Insistent as Tanzania was to maintain a position of self-determination and independence, the country opposed the IMF conditionalities during the first half of the 1980s, introducing instead several so-called ‘home-grown’ structural adjustment programs (Mushi 1995). However, as the IMF negotiations wore on the withdrawal of funds was used to exert pressure on the GoT (the Government of Tanzania). The significant drop from US$523 million to US$372 million during what has been referred to as the Aid Reduction Period (1980-1985), is what seemingly incited the agreement on structural adjustment programmes in 1985, and the Economic Recovery Programme adopted in 1986, with additional agreements signed in 1987, 1991 and 1996 – that in turn brought on the Second Aid Boom (Falck 1997). From 1986 to 1992, the total ODA increased from US$513 million to US$816 million – a considerable increase, although less dramatic compared to the First Aid Boom (OECD Statistics Portal).

The 1980s are also characterised by project aid’s loss of attraction in Tanzania. In fact, it was claimed that the extensive use of project assistance was partly to blame for Tanzania’s heavy aid dependence because it implied “a unilateral transfer of Western donor standards and technical solutions poorly suited for the local context” (Mushi 1982, Italics added). This transfer, Mushi (p. 23) comments, “would become complicated and painful, sometimes even a
failure.” Also, by accepting too many projects the GoT failed to finance the recurrent costs that project assistance required. In stead of declining new projects, the recurrent costs were met through excessive credit expansion (Falck 1997). Programme assistance would assumedly relieve Tanzania’s financing difficulties, and also avoid the ‘complicated and painful’ transfer of donor-designed projects to local communities, hence from the second half of the 1980s, programme assistance increased persistently. Project assistance still occupied a dominant position however; from 1986-93, 55 percent of ODA was project-based, 24 percent was programme-based, and 21 percent was provided as technical assistance (Falck 1997: 26).

Needless to say, the structural adjustment programmes are controversial with most scholars asserting that they have, at best, produced moderate improvements. With regards to Tanzania, while some claim that the institutional and structural reforms lead to a significant reduction in poverty (Ferreira for instance, states that between 1983 and 1991, poverty in Tanzania fell by 22 percent, 1996); others find that the policies led to increased prices on agricultural inputs (for instance, the price increases on fertilisers between 1989 and 1992 ranged from 183 percent to 412 percent), while decreasing producer prices (for instance, from 1985 to 1991, producer prices for maize fell 30 percent, for cassava 32 percent, for sorghum and millet 40 percent, Hammond 1998). What is most significant perhaps is that a World Bank report from 1994 acknowledged that infant mortality, nutrition, and primary school enrolment in Tanzania were “stagnant or worse, compared to the level of the 1970s or early 1980s”, prior to the IMF reform (quoted in Hammond 1998).

Leaving the IMF policies and its intended and possibly unintended effects aside, the early years of the 1990s in Tanzania were characterised by economic recession and yet another problem – corruption. In 1994 a World Bank report unveiled widespread corruption in the non-collection of custom duties, and the disclosures would immediately incite a deteriorating donor/recipient relationship. During a joint donor meeting in 1994, several bilateral donors decided to cancel their BoP (Balance of Payment) funding, and declared that further support would be conditional upon evidence of serious commitment to eradicate corrupt practices and that Tanzania implemented economic reforms (Selbervik 1999).

Over the years, Tanzania has been compelled to modify its declared resistance to foreign aid. Hence, it seems that in stead of prospecting for complete self-reliance, Tanzania is giving
more attention to provide mechanisms that will ensure the most effective use of donor funds, that is, to consolidate a well-functioning aid relationship. Indeed, this has gradually emerged as a central goal of the donor community in Tanzania as well. For instance, in 1995 the Danish Government initiated the Helleiner Process which had the objective of improving the relations between Tanzania and the donor countries. The short-term result of the initiative was a moderate, though steady increase in aid. The long-term result was increased focus on aid efficiency and harmonisation, materialised in the government-led Tanzania Assistance Strategy (TAS). The TAS is a national framework for managing external resources, and in 2002, the first TAS document was published with the stated aim of “restoring local ownership and leadership by promoting partnership in the design and execution of development programmes” (Tanzania 2002: 7). It makes explicit connections to events of the 1990s claiming that the initiative dates back to “when Tanzania/donor relations were strained mainly due to serious slippage in revenue collection and rising corruption” (p.7). Since 2004, the process has been referred to as JAST – Joint Assistance Strategy.

Also, in response to the Rome Declaration (2003) and efforts on the Tanzanian side at increasing ownership, the donors agreed to formalise their co-ordination effort through the Development Partners Group (DPG), which replaced the more informal DAC group. The new century has witnessed a modest, though steady increase in the aid volume, to which a plausible explanation may be that the collective efforts to improve aid efficiency through donor harmonisation have served to boost donor generosity (OECD Statistics Portal).

The State of Tanzania: The Development Context of the Present
Neither ambitious visions of growth and self-reliance nor extensive foreign aid have served to accelerate development in Tanzania. By most measures, Tanzania remains a developing country – poverty is widespread (in 2001, 58 percent of the population were living below the US$1 dollar-poverty line); total external debt is exceedingly high (amounting to 65 percent of GDP in 2005); infant, child and maternal mortality rates remain among the highest in the world; literacy rates are low and more than one third of all children under five are malnourished (DPG 2006: 2-3). Yet, according to an OECD report (2007), a trend of continuous economic improvement is consolidating in Tanzania:

Real GDP growth was 5.7 percent in 2006 and is expected to pick up to 6.8 percent in 2007 and to 7 percent in 2008 as increased investment begins to drive growth. This reflects confidence in the economy and shows a positive outlook for sustained growth. Improvement
in economic management is delivering relatively low inflation despite the adverse impact of the drought. The external sector has benefited from improvements in exports and considerable debt relief under the Multilateral Debt Relief Initiative (p. 503).

It continues by stating, however, that this development is contingent upon *inter alia*, improved tax administration, enhanced private-sector participation in the economy, tackling the high level of corruption and improving the economic environment, improving water management and sanitary services, improving pollution control and solid waste management.

*Tanzania’s Aid Management*

The major institutions involved in aid management are the *Planning Commission*, which manages aid programmes, established the policy agenda, and provides the development visions; and the *Ministry of Finance* which outlines the short-term macroeconomic policies, and is responsible for fiscal and monetary management, and debt policies. MOF’s department of external finance and debt management also oversees the disbursement of external assistance and negotiates with donors (Carlsson et al. 1997). Mechanisms to channel aid have been Tanzania’s long-term plans and in the mid-1990s, Tanzania presented the policy document “Vision 2025”, outlining its, yes *visions* for Tanzania’s future stating that “Tanzania of 2025 should be a nation imbued with five main attributes; high quality livelihood; peace, stability and unity; good governance; a well educated and learning society; and a competitive economy capable of producing sustainable growth and shared benefits” (p. 6). For the current period (2005-2010) it is the MKUKUTA (Tanzania’s National Strategy for Growth and Reduction of Poverty) that serves as the development framework, forming “part of Tanzania’s efforts to deliver on its national Vision 2025” (Tanzania 2008). Development efforts in Tanzania, both national and donor-funded, are organized around three clusters: Economic growth and poverty reduction; Improvement of quality and social well-being; and Good governance and accountability (Tanzania 2005).

Carlsson (et al. 1997) observes that Tanzania’s aid management has been constrained by institutional deficiencies in sectoral ministries caused by low absorptive capacity. This problem, he claims, is reflected in unrealistic development programmes that do not match institutional and domestic resource capacities, specifically because of the government’s failure to provide counterpart funding and personnel. The problem is further complicated by the lack of a political constituency to demanding accountability of aid resources. In fact,
management of large aid inflows and their potential impact on the exchange rate, interest rates, and the rate of inflation is listed as a primary challenge for monetary policy in Tanzania.

**Summing Up**

By now we should be prepared to adequately analyse Chinese and Nordic aid policy and aid practice in Tanzania. We have seen from the historical outline of the Sino-African relationship that *aid* has remained a central feature throughout. While certainly on the increase in recent years, it is the rapid boost in *trade volume* that constitutes the most significant element of change in Sino-African cooperation. We have seen that Chinese aid to Africa is characterised by *continuity*, both with regards to modalities and terms, and the principles on which it is founded.

Furthermore, we may establish by now that Tanzania certainly provides an interesting case. First, the history of development assistance in Tanzania may be portrayed as a continuous ‘tug of war’ – between Tanzania’s fierce position of self-reliance and its increased dependence on aid, and between Tanzania’s priorities and donors’ perceptions. Surely, it is interesting to investigate how Chinese aid and Nordic aid relate to this history. Second, despite massive inflows of aid, Tanzania still remains a developing country by most measures. While this thesis does not aspire to evaluate Chinese and Nordic aid *per se*, I find it interesting, and necessary to investigate their aid practices if we are to understand how, or perhaps if, aid can contribute to development in the future. Indeed, Mushi has stated: “Aid is developmental only if it lays the foundation for its future rejection” (1982: 9).

The following chapter presents central findings of the analysis of Chinese and Nordic aid policy. This, I argue, will help to answer the question posted in Chapter 1: *What it is the content and character of China’s aid policy towards Africa?*. Also, I seek to establish areas where Chinese and Nordic aid policy seemingly differ.
5. Analysing Aid Policy

From the literature review in Chapter 3 we learnt that Nordic aid is commonly perceived as developmentalist, disinterested, poverty-oriented; that it rests on the socio-political values of which its own societies build, and seeks to extend these internationally, hence it promotes human rights and democracy. Chinese aid on the other hand is almost exclusively described as strategic, self-interested, and instrumentalist, where aid represents a ‘tool of attractive’ power employed specifically by China to win influence. Yet, the literature review also taught us that Nordic aid too may be described as instrumentalist - motivated by strategic interests. Certainly, to denounce altruistic socio-political and humanitarian values as the sole inducement effectively simplifies a complex set of considerations.

The following chapter seeks to present a broader analysis of Chinese and Nordic aid policy that builds on the theoretical perspectives presented in Chapter 3, so as to enhance an understanding of the Nordic and Chinese aid identity (which in turn will enable us to investigate properly how these ideas are manifested in practice). Surely, these donors’ aid policy is comprehensive and comprises a wide set of ideas, norms, conceptions and principles not easily summarized in a few pages. The following presentation of Nordic and Chinese aid policy cannot, nor does it aspire to cover all aspects of it, rather it will seek to present the most central elements. Also, aid policy may refer to the line of argument rationalising the course of action of Nordic and Chinese aid. As such, one should not fail to mention that a policy document presents the ideal rationalising, objectives and measures behind a country’s development assistance.

The analysis of Nordic aid policy will rely on their most recent publicised policy documents. Considering how China’s African Policy published in 2006 is not an aid policy document per se (Tjønneland 2008, pers. comm.), an adequate analysis of Chinese aid policy must include characterisations of Chinese foreign policy, and what I perceive as normative ideas guiding Chinese aid policy. Also, I argue that the literature review presented in Chapter 3 provides the proper supplement to the analysis of Chinese aid policy.
Analysing Nordic Aid Policy

In the following I will present and elaborate upon what I find to be four central perspectives that Nordic aid policy seemingly seeks take care of. That is, the perspective of the poor, the rights perspective, the growth perspective, and the perspective of harmonisation. Indeed, I acknowledge that this is by no means an exhaustive analysis of Nordic aid policy; yet, I do find that these perspectives embody the most central aspects of it.

The Perspective of the Poor

Applying the perspective of the poor to development means that the ends, circumstances, experiences and rights of poor people, groups and countries are the point of departure for efforts to promote equitable and sustainable global development (Sweden 2004: 4).

All of the Nordic aid policy documents refer to poverty reduction as the fundamental principle and objective behind their country’s development effort. For instance, Finland’s policy document of 2007 maintains that: “The eradication of poverty and ecologically sustainable development are the most important objectives of Finland’s development cooperation according to the Millennium Development Goals agreed jointly in the United Nations” (p. 17), while Denmark’s policy document of 2000 states candidly that: “Poverty reduction is the overriding objective of Danish development policy.” Following this, it is the widespread poverty in the world that serves to rationalise Nordic development assistance, as illustrated in Norway’s policy document of 2004: “More than one billion people lack the most fundamental opportunities to protect themselves and their families from hunger and disease that can be prevented and cured by simple means. This is the greatest challenge of our time. (…) The fight against poverty is a fight for justice” (p. 5).

Furthermore, all four countries express their commitment to provide assistance in accordance with the overarching goal of the Millennium Development Goals (MDGs) – that is, halving the number of people living in extreme poverty by 2015, and adhere as such to a multilateral strategy of development. Also, when poverty reduction is presented as the principal goal, other objectives, such as the promotion of democracy, human rights, gender equity, and the protection of natural resources, are promoted less as ends by themselves and more as means to reduce poverty. For instance, Finland’s policy document reads: “We must achieve stable poverty-reducing economic development on an ecologically sustainable basis. For this to be
possible, social conditions must be stable. This means having peace and security, well-functioning democratic governance, respect for human rights, inclusive social and cultural development, and action to fight corruption” (p. 12).

The importance of improving poor people’s access to resources and services is emphasized and all four countries advocate the promotion of free primary education and free preventive health care, especially women’s access to these services. For instance, Sweden’s policy document states: “Securing women’s access to land, credit, clean water and other resources, good sexual and reproductive health, as well as their participation in decision-making is vital to their prospects of overcoming poverty” (2003b: 25). Moreover, the Nordic policy documents recognize the need of improving poor countries’ access to the international market: “First and foremost, the developing countries must gain wider access to the markets of the OECD countries” (Sweden 2003b: 38). Norway’s policy document (2004: 5) reads: “Consequently, it is a matter of providing operating parameters that do not undermine the development opportunities of poor countries but expand them, whether by cancelling debt or by providing fairer terms of trade so that developing countries’ products have genuine access to markets in the North.”

In summation, the pronounced pattern is this: The Nordic policy documents connote complete confidence in the international poverty agenda – the strategies and policy measures presented are informed by respect for the resources, ways of life and strategies of the poor. This poverty-oriented approach is in turn explained with reference to international solidarity. For instance, Sweden’s policy paper of 2003 declares: “The primary justification and rationale for Sweden's policy for global development is solidarity with people in other countries” (p. 19). Moreover, “this rationale reflects the basic values in accordance with which Swedish society has evolved (...) The firm conviction that everybody has a right to a life in dignity is the basis of the solidarity with poor, oppressed and vulnerable people that has been an important element of Sweden’s domestic and foreign policies for many years” (p. 20). This quote certainly substantiates the claim by Stokke (et al. 1989) presented in Chapter 3; the motive behind Nordic aid is explained with reference to the socio-political values on which these societies build, where aid is seen as a way of extending these values to the international community. Following this, foreign aid is explained with reference to the responsibility of the developed countries. For instance, Denmark’s policy document of 2000 reads: “Wealthier
countries also have a responsibility for supporting the development process. Denmark accepts and assumes its share of that responsibility. Through our development policy we help to support the efforts of the developing countries to create better conditions for all” (p. 3).

The Rights Perspective

The rights perspective comprises democracy and respect for human rights. Democracy and human rights are mutually reinforcing, and one cannot exist without the other (Sweden 2003a: 122).

Indeed, the Nordic policy documents illustrate a strong commitment to the promotion of human rights, democracy and good governance, that is, the component elements of policy-based aid. For instance, Denmark’s policy document of 2007 proclaims that: “The fight against corruption and the efforts to build the administrative and judicial capacity of program countries constitute an absolutely fundamental prerequisite for development. Without good governance, other political, economic and social reforms will not succeed” (p. 11). Finland’s policy document of 2007 emphasises the close relationship between the three components: “Democracy and other preconditions for development can be strengthened by pursuing an active human rights policy” (p. 16).

Certainly, human rights are granted special attention in Nordic aid policy. First, promoting human rights is expressed as a central rationale behind development assistance: “Finnish development policy is founded on the respect for and promotion of human rights. Democracy and other preconditions for development can be strengthened by pursuing an active human rights policy” (Finland 2007: 16). Second, the stated aim is of “promoting, preventing and reacting [human rights]” (Sweden 2003a: 8), of which it is sought to mainstream human rights into other programme areas: “In this context mainstreaming implies that the manner in which development co-operation is carried out pay due regard to respecting and promoting human rights” (Norway 1999: 5); with measures presented to strengthen accountability: “Further efforts should be made to develop central political principles and procedures for issues such as accountability, participation, transparency and the distribution of power” (Sweden 2003b: 24); to strengthen participation: “Denmark will promote mechanisms for ensuring the systematic involvement of civil society and the organizations that represent the poor in the formulation and implementation of reform initiatives both nationally and locally” (Denmark 2000); and to advance gender equality: “prioritize special initiatives to promote the
gender aspect as one means of generating greater awareness concerning the essential need for equality and in order to develop methods and instruments that may ultimately be deployed more broadly in development co-operation” (Denmark 2000).

Obviously, these random quotes from Nordic policy documents do not sufficiently support the contention that Nordic aid policy is rights-based. However, they do illustrate how the promotion of human rights are mainstreamed into Nordic development policy where the norms, standards and principles of the international human rights system are integrated into the plans and policies of Nordic development assistance. Also, we have seen that the Nordic policy paper have incorporated the ‘wording’ of the good governance agenda, that is, the Nordic countries aim at strengthening the poor countries’ ability to improve on governance. Or in the words of Norway’s policy document (2004: 142): “If millions of impoverished people are to have a chance to make a better future for themselves, their governments must be less a part of the problem and more a part of the solution."

The Growth Perspective: Pro-poor growth

In the final analysis, the criteria for success are permanent improvements in the situation of poor people in individual countries and long-term economic growth in developing countries (Norway 2004: 18).

The Nordic policy documents express at several occasions that: “Economic growth is crucial in overcoming poverty for both countries and individuals. (...) Without growth, people in poor countries will never succeed in raising their standards of living” (Sweden 2003b: 17). They also emphasise the importance of a sustainable, equitable growth and stress that economic growth alone cannot create a sustainable development. In fact, Finland (2007) points to the possible negative effects of extensive economic growth, including increased demand for resources leading to raised prices of basic commodities and depletion of non-renewable resources hereby accelerating ecologically unsustainable exploitation. Also, Sweden (2003b: 27) highlights that “welfare and development cannot be measured in economic terms alone. Economic growth must be sustainable and must be combined with measures to promote equity and social welfare if it is to lead to development. Great income disparities are an obstacle to rapid and effective poverty reduction in many poor countries. There must be a system for redistributing resources, and consequently power, if growth is to benefit everybody.”
Hence, it is acknowledged by all four countries that societies need a stable institutional framework, transparent and efficient management and administration systems, an independent and effective judicial system and policies that promote investment and poverty reduction, which certainly relates to the preceding perspective on rights. Accordingly, they all advocate a holistic approach to development that seeks to reduce poverty and enhance economic growth by improving good distribution, good governance, infrastructure, health and education systems, and sound management of natural resources. Specific efforts to promote economic growth are summarized in the three following policy measures: The Nordic countries seek to i) provide mechanisms to improve the productive capacity by way of investments and technology transfers (for instance by supporting infrastructure development, stimulating private sector development, focusing on primary production and business development related to agricultural production, building capacity to establish independent producers’ organizations; and promoting a favourable climate for the business sector); ii) provide mechanisms to improve the market conditions, and to promote trade (for instance by promoting increased productive domestic investment and improvements in the conditions and export potential of the productive sectors, by supporting import promotion arrangements, by strengthening trade capacity for producing and selling goods and services, and by enabling countries to produce and export agricultural goods) and iii) to strengthen financial management, and financial frameworks (for instance by pursuing a distribution policy that will benefit the poor, promoting knowledge production that will benefit the developing countries as well as their own capacity to produce and use knowledge as a key prerequisite for sustainable development).

Also, all four countries pledge to improve on the conditions at which Nordic agencies and private cooperatives can be involved as partners by establishing channels of cooperation between the Nordic business sector and development agencies. For instance, Finland (2007: 30) recognizes that: “Finnfund projects [a development finance company] have an important development objective, specifically to improve the production capacity of developing countries”. Indeed, it seems that private investments are seen to represent a commercially-oriented device that may stimulate private sector development, and hence promote economic growth, in developing countries. By comparison, it is the policy documents of Denmark and Finland that most extensively argue in favour of intensified private sector involvement in development cooperation.
The Perspective of Harmonisation

All four policy documents profess to greater international cooperation in development. In fact, Sweden (2003b: 31) claims, “The Millennium Development Goals confirm the necessity of strengthening global cooperation for development.” Furthermore, it is acknowledged that policy coherence requires that strategies and plans in all policy areas support the goals of eradicating poverty. Accordingly, the stated policy of all countries is to provide assistance that is consistent with internationally agreed standards, such as for instance the Millennium Declaration. Norway (2004: 97) declaredly “will work to ensure that both multilateral and bilateral assistance are based on common efforts to achieve the Millennium Development Goals”, while Denmark (2000) will “work to ensure that Denmark’s development assistance, as well as assistance from other partners, is co-ordinated with and adapted to the programme countries’ own priorities, plans and budgets” and finally, in Finland’s most recent policy document, coherence, complementarity, and effectiveness are presented as the ‘guiding principles’ of Finnish development assistance, of which coherence requires an international coordination of strategies and actions; while complementarity entails a synchronisation with the recipient countries’ policies at the bilateral level, and with the EU, the multilateral system and the NGO’s at the international level; and effectiveness which requires a commitment to the Paris Declaration on Aid Effectiveness, with efforts to improve on effectiveness in policy guidance, operational planning, country-level programming and in monitoring (Finland 2007).

Summing Up

The diminutive outline of Nordic aid policy seemingly concurs with the general theorising of Nordic aid presented in Chapter 3. That is, in stated policy the Nordic countries aspires to promote inter alia a developmental state; a balanced and equitable economic growth; the provision of social services; the empowerment of the poor; a democratic society; and opportunities and rights for women and vulnerable groups. First, emphasis is given to improve social services and facilitate poor peoples’ access to these. Hence, support for the rural development sector, development of the primary sector (predominantly agriculture, forestry and fishery), and extensive support to education and health are considered essential. Second, human rights and democracy are used as the scaffolding of Nordic aid policy, of which a central policy measure is to integrate them into every aid programme. Third, the Nordic countries are also promoting a strategy of economic growth and trade with the stated goals of improving the productive capacity and export potential of the developing countries. Finally,
these targeted interventions are sought implemented and promoted through an integrated policy so as to ensure that all policy areas are coherent with the principle of an equitable, sustainable global development committed to poverty reduction and economic growth, and are rationalised with reference to international solidarity and the responsibility that follows.

Analysing Chinese Aid Policy

As we saw in Chapter 3 it is generally acknowledged that China’s approach toward Africa must be contextualised with reference to the broader global contemporary situation, the influence of the international system on the PRC’s policy behaviour, and the domestic concerns of the PRC. Following this, it is often assumed that Chinese aid is qualitatively different from that of Western aid. While we have established that Nordic aid may be portrayed as just as much instrumentalist and strategic, it follows that the assumed distinctiveness of Chinese aid relates to another dimension. Arguably, it is ‘the Chinese model’ – that is, the principles on which Chinese aid builds, that differs to that of the West, somewhat simplified, it has not developed by the rules of the ‘Washington Consensus’. Accordingly, I argue that a presentation of the central tenets of the Chinese model is central to understanding Chinese aid policy. Hence, in the following I seek to enhance an understanding of the particularistic of the Chinese model, the central ideas on which it builds, for then to analyse the first, and for the time being only, Chinese policy paper on Africa.

The Chinese Development Model

In 2004, J. C. Ramo popularized the term ‘the Beijing Consensus’, denoting China’s distinctive approach to economic policy, and its deviation from that of the Western ‘Washington Consensus’. Just as the ‘Washington Consensus’ had come to describe the set of policies promoted for developing countries by Washington-based institutions broadly associated with neo-liberalist and market fundamentalist ideas, so was it Ramo’s intention to name, and herewith expand on the distinct characteristics of the Chinese development model. The ‘Beijing Consensus’ is presented as a multi-faceted policy model of economic and political governance that forefronts constant innovation as a development strategy (compared to the one-size-fits-all neo-liberal Washington-orthodoxy), that is more determined by its
internal dynamics, and thus inherently socialist – representing in consequence, a set of ideas that are very different from the ‘Washington Consensus’. Ramo (2004) summarises:

China’s new development approach, is driven by a desire to have equitable, peaceful high-quality growth, critically speaking, it turns traditional ideas like privatization and free trade on their heads. It is flexible enough that it is barely classifiable as a doctrine. It does not believe in uniform solutions for every situation. It is defined by a ruthless willingness to innovate and experiment, by a lively defence of national borders and interests, and by the increasingly thoughtful accumulation of tools of asymmetric power projection. It is pragmatic and ideological at the same time, a reflection of an ancient Chinese philosophical outlook that makes little distinction between theory and practice. Though it is decidedly post-Deng Xiaoping in structure, the Beijing Consensus still holds tightly to his pragmatic idea that the best path for modernization is one of “groping for stones to cross the river,” instead of trying to make one-big, shock-therapy leap. (...) The Beijing Consensus, like the Washington Consensus before it, contains many ideas that are not about economics. They are about politics, quality of life, and the global balance of power. Inherently, this model sets China and its followers off against the development ideas and power needs of the status quo (p. 4, Italics added).

A. Dirlik (2006: 6) has observed that over the last years, “the notion of a Beijing Consensus seems to have acquired a life of its own”; it is utilised in a variety of contexts that extend far beyond the original essay by Ramo (2004). Despite the seemingly insipid concept, the notion nonetheless serves an important function; it designates a distance to that of the Western neoliberal policy. Indeed, Dirlik (2006) argues that less than distinctive characteristics, the Beijing Consensus should provoke interest as China, in the search for autonomy and self-determination has taken the form of not only maintaining controls over the economy internally, but also by taking a multilateralist approach to global relationships which contrasts sharply with the Western direction. In what ways does the Chinese development model deviates from that of the West? First, it takes pride in independence and self-reliance. Second, it promotes, what I call a ‘frictionless’ policy, which in the Chinese own words reads: zengjia xinren, jianshao mafan, fazhan hezuo, bu gao duikang – build trust, decrease trouble, develop cooperation and avoid confrontation (Dirlik 2006). And third, related to this, it gives priority to economic intercourse over political correctness; “The most important aspect of the Beijing Consensus may be an approach to global relationships that seeks, in multinational relationships, a new global order founded on economic relationships, but which also recognizes political and cultural difference as well as differences in regional and national practices within a common global framework”, Dirlik (2006:5) claims.
To take pride in self-reliance

Ever since the CPC regime came to power in 1949, its leaders have emphasized the importance of self-reliance – a principle rationalised by previous painful encounters with the West, especially during the Manchu Dynasty; a long tradition of cultural self-containment; the centrality of self-reliance in Marxism; and China’s great size and agricultural economy (Terrill 1977). Despite policy reforms of economic liberalisation and political transformation (referred to as China’s open door policies) of recent decades, the country remains communist, committed to socialism and planned economy, and refutes Western notions of political liberalisation and capitalism (Gittings 2005).

It is recognised that the very sources of China’s self-reliance (background, culture, endowments, and politics) have incited quite a unique self-image. “Chinese think of China as a country that deserves the world’s respect”, Roy (1998: 37) comments and finds that this somewhat prominent self-image is visible in China’s foreign policy. Compared to other major powers’, China’s ‘principled’ foreign policy is noble and just, and comparably ‘better’; it sympathises with small countries and victims of injustice and asserts claims of moral rectitude. As Foreign Minister Qian Qichen presented it:

Now, all [developing countries] say: ‘China is our only hope, the only country that can speak for us, and the only power that can represent our interests’... For the people of the world, China’s very existence indicates that the claims that Marxism does not work and that socialism has collapsed are wrong... wherever we [CCP officials] go [in the developing world], they put the eye-catching slogan such as ‘China is the hope of Africa’ (in Roy 1998: 39).

Following this, it seems that a central tenet of China’s foreign policy, the non-interference in internal affairs, is elevated to a moral principle that is different and (as it seems) inherently better than Western policy. For instance, the Beijing Declaration of FOCAC in 2000 reads: “The politicisation of human rights and the imposition of human rights conditionalities on economic assistance” themselves “constitute a violation of human rights”, and should as such be “vigorously opposed” Furthermore; “Each country has the right to choose, in its course of development, its own social system, development model and way of life in light of its national conditions” (in Taylor 2006: 68). This, I argue, illustrates yet another guiding principle of China’s development aid – encouraging self-reliance. That is, China has exported its notion of economic development with Chinese characteristics to its African trading partners, encouraging them to develop their economy through trade and investment in infrastructure and social institutions, without dictating terms for political or economic reforms.
(Thompson 2005). At the same time, it seems that this stand of ‘moral relativism’ is a means by which China can consolidate its position in Africa as a cooperative country in pursuit of unity and peace with the ‘Third World’. Indeed, in 2003 the scholar Z. Bijian declared that: “China has chosen a strategy to develop by taking advantage of the peaceful international environment, and at the same time to maintain world peace through its development. This is a strategy of peaceful rise, namely, a strategy of peaceful development” (quoted in Zhao 2005: 7). Two years later, in 2005 the Chinese Government issued a White Paper on Peaceful Development.

Peaceful Development
The document of 2005 serves a double ambition: It recounts the essence of China’s foreign policy since the 1970s as China having ‘embarked on a road of peaceful development’; and it foretells of China’s prospective aspirations – “striving for a peaceful international environment to develop itself, and promoting world peace through its own development” (p. 1). China has achieved development by ‘relying on itself’ and by ‘conforming to the trend of economic globalization, and striving to achieve mutually beneficial common development with other countries’, to which ‘peaceful development’ is the inevitable way. That is, peaceful development is presented as an inherent element of China’s community, culture and history – hence it follows naturally to pursue peace, promote development and seek cooperation. Western concerns over China’s rising power are countered by emphasising that:

China did not seek hegemony in the past, nor does it now, and will not do so in the future when it gets stronger. China’s development will never pose a threat to anyone; instead, it can bring more development opportunities and bigger markets for the rest of the world (p. 2).

The message is clearly advanced; China is a peace-loving country without ambitions of hegemony and world dominion, but seeks to promote its interests through peaceful, cooperative and harmonious interaction: “Peace, opening-up, cooperation, harmony and win-win are our policy, our idea, our principle and our pursuit” (p. 1). The following section provides insight on how these ideas are manifested in China’s African policy.

China’s African Policy
On January 12, 2006 the Chinese Government issued its first policy document on China’s policies towards Africa (People’s Daily 2006/01/12). The policy document of 2006 articulates China’s objectives and principles behind Sino-African cooperation (including sincerity,
mutual benefit, reciprocity and common prosperity, mutual support and close coordination, learning from each other and seeking common development); the measures to achieve them; and proposals for extended cooperation within the field of politics; economics; education, science, culture, health and social aspects; and peace and security – of which increased cooperation within these fields will facilitate ‘common development of both parties’, ‘promote the steady growth of China-Africa relations in the long term and bringing the mutually-beneficial cooperation to a new stage’ (2006: 1). Concrete measures include with regards to the political field: maintaining the momentum of mutual visits and dialogues between Chinese and African leaders, the economic field: opting more effective measures to facilitate African commodities’ access to Chinese market, promoting agricultural cooperation with focus on land development, agricultural plantation, breeding technologies, food security, agricultural machinery, and the processing of agricultural and side-line products, encourage Chinese enterprise to participate in the building of infrastructure in African countries, the social field: to implement more agreements of cultural cooperation, to continue to exchange students, continue to send medical teams and provide medicines and medical materials, increase its exchanges and cooperation with African countries in the prevention of and treatment of infectious diseases including HIV/AIDS and malaria, the field of security and peace: promote high-level military exchanges, continue to train African military personnel and support defence and army building of African countries for their own security.

The main policy measure as such is to “enhanc[e] solidarity and cooperation with African countries” – a measure that “has always been an important component of China’s independent foreign policy of peace” (p. 2). The main motivation behind the Sino-African relationship is thus presented as what has been an incessant component of China’s foreign policy; hence China’s recent reengagement with Africa is a continuation of what has always been. The Sino-African relationship is now as before, motivated and characterised by sincerity, equality and mutual benefit, solidarity and common development. Indeed, there is little ‘newness’ to China’s African policy. First, China’s “Five Principles of Peaceful Co-existence” first presented in 1954, clearly manifest themselves in the policy document of 2006, and so do the “Eight Principles” of 1964 (see page 31 and 32). Second, China commits itself to continue to support the same areas as they have since the 1960s with emphasis on political exchanges, trade and investment, agricultural cooperation, medical assistance, and military assistance, where agreements are negotiated, maintained and corroborated through
high level visits, and where the rationale provided is mutual benefit. That is, China will either ‘maintain’, ‘increase’, or ‘continue’ the established practices in Africa. However, China does contend that it seeks to establish and develop “a new type of strategic partnership with Africa” (p. 2). Indeed, the policy document does demonstrate a Chinese commitment to establish new arenas of cooperation, for instance within the field of tourism, science and technology, media, disaster reduction, and the environment. Also, China commits itself to continue to reduce African debt owed to China – which represents a recent Chinese policy measure (China made its first commitment to cancel African debt of US$1billion in 2000, BBC 2000).

The measures presented in the policy document are general in wording, and contain few, if any measurable indicators of achievement (for instance within the field of debt reduction, China commits itself to “continue friendly consultation with some African countries, with a view to seek solution to, or reduction of, the debts they owe to China. It will urge the international community, developed countries in particular, to take more substantial action on the issue of debt reduction and relief for African countries”, p. 4). Certainly, the whole document is characterised by a general, harmonious and by what I call frictionless atmosphere. Words like ‘profound friendship’, ‘solidarity’, ‘peace’, ‘reciprocity’, ‘mutual trust’, and ‘win-win cooperation’ are incessantly repeated.

Even more so, if China’s commitments appear somewhat broad and vacuous, no conditionalities are laid upon Africa. This “gentle, friendly, caring attitude”, M. Chidaushe (2007: 109) observes “appears to many Africans as a welcome contrast with the exploitation and heavy-handed, top-down relationship which has typified the West’s approach.” A disputed observation beyond doubt, yet the way China expresses its aid policy (in this document and also in the “Eight Principles”) certainly serves to distinguish it from that of the West. Furthermore, the policy document emphasises several common characteristics between China and Africa (similar historical experience, being or encompassing developing countries, support for national liberation, and south-south cooperation) that Africa does not, indeed cannot, share with the West that seemingly serves to underline that China’s thrust towards Africa is founded on an idea of South-South solidarity, hence substantiating China’s ‘noble’ intentions.
The ideas presented in China’s African policy seem largely concurrent with the Chinese Government’s White Paper on Peaceful Development. In both policy documents China implicitly and explicitly presents itself as a benign superpower with solely good intentions and interests that will serve to benefit not only China, but the world as a whole. For instance, The White Paper reads: "Mankind has only one home – the Earth. Building a harmonious world of sustained pace and common prosperity is a common wish of the people throughout the world, as well as the lofty goal of China in taking the road of peaceful development" (2005: 11). Likewise, the African policy paper postulates that: "China stands ready to develop friendly relations and cooperation with all countries on the basis of the Five Principles of Peaceful Coexistence so as to contribute to peace, stability and common prosperity around the world" (2006: 1). Furthermore, the message is clearly advanced that China and ‘the rest of the world’ are mutually dependent upon the prosperity of the other (for instance, The White Paper reads: “China cannot develop independently without the rest of the world. Likewise, the world needs China to attain prosperity”, p. 8). Indeed, Sino-African cooperation is rationalised by mutual benefits; political and economic.

While it is observed that the policy document contains little explicit aid discourse (King 2006: 5), it postulates to “respect[ ] African countries’ independent choice of the road to development” (p. 1), and that “China will do its best to provide and gradually increase assistance to African nations with no political strings attached” (p. 4), of which “the one China principle is the political foundation for the establishment and development of China’s relations with African countries and regional organizations” (p. 1). Furthermore, if not explicitly, the document does indicate what Chinese aid entails. First, the term ‘aid’ is consistently avoided and is replaced by ‘cooperation’. Why? It might be to avoid the seemingly negative connotations associated with the term. It might also be a way of disassociating itself from the practice of aid as it has been executed by Western developed nations for then to create its own operational framework for development cooperation (it should be noted that in this manner, the Chinese by no means avoid being compared with Western policy practice, indeed quite the contrary). Also, as briefly mentioned, by referring to itself as a ‘developing country’ rather than a donor, China seemingly seeks to underline equality and parity; we, China, are a developing country just as you, hence our common ‘fate’ will enhance our ability to cooperate. This also applies to the use of ‘cooperation’, which does mean to work jointly towards the same end (Oxford Dictionary of English). Furthermore,
when development assistance is referred to as ‘cooperation’ instead of aid, the promotion of self-interest appears as a more legitimate motivational factor. An observation by Mushi (1995) seems to support such a contention. According to Mushi, Finland was the first Nordic country to describe aid in terms of ‘enlightened self-interest’, on which he follows up by commenting that a Finnish State Commission for Development recommended the use of ‘development cooperation’ instead of ‘development aid’ as early as in 1967, so as to “emphasize the expected mutuality of benefits” (p. 235). Following this, we may preliminarily conclude that Chinese aid assistance is understood as cooperation with mutual benefits. Obviously, such an observation per se is not sufficient to state that China’s development cooperation is fundamentally interest-driven. However, the pronounced objectives (of sincerity, mutual benefit, reciprocity, mutual support, and common development) render just as much space for China’s interests as for Africa’s.

Following this, one could expect that the policy document signalled close links between aid (or rather development cooperation), private investments and trade. Indeed, the document declares that “The Chinese Government encourages and supports Chinese enterprises’ investment and business in Africa, and will continue to provide preferential loans and buyer credits to this end” (p. 3-4). Furthermore, it pledges to support the growth-industries of African nations, namely the industrial sector; finance; and science and technology. Still, we have seen that also Nordic aid policies, which seemingly witness of weaker links between aid, private investments and trade, also do encourage Nordic enterprises to invest in Africa. Hence, one may expect that an integration of aid and business is more clearly manifested in Chinese aid practices.

As briefly mentioned the policy document contains only one clear reference to aid assistance, that is: “China will do its best to provide and gradually increase assistance to African nations with no political strings attached” (p. 4). Indeed, providing assistance unconditionally seems to correlate well with their seemingly frictionless policy. It concurs well with China’s ‘harmonious, and peaceful’ approach to the world, and with China’s expressed principles of non-interference and equal treatment. (One may also argue that China’s development cooperation is so much guided by economic interests that ‘politics’ simply does not appear of interest). It is a policy without sharp edges, where the complete lack of explicit political conditionalities allows for a language in the positive and affirmative that appears appealing
and promising. Following this, in line with past policy, China consequently avoids any direct or indirect references to ‘good governance’, ‘democracy’, or ‘gender equality’. Rather, cooperation within the political field refers to exchanges between Chinese and African leaders, political parties and local governments ‘with a view of facilitating communication, deepening friendship and promoting understanding and trust’ (p. 3). One may conclude however, that there are some careful allusions to the good governance agenda present in the document. For instance, within the administrative field, China pledges to “carry out exchange and cooperation with African countries in civil service system building, public administration reform and training of government personnel” (p. 7). Visibly, this and other policy measures that relate to governance appear general in character.

**Summing Up**

It is often postulated that China is entering into ‘a new era’ of cooperation with Africa. However, the analysis of China’s most recent African policy document certainly reveals that what is fundamentally ‘new’ is not its policy per se, rather it is the pace, extent and scale of which it is executed. The document reiterates the central principles which were first presented in 1964, that is, the mutual character of aid, the respect for the sovereignty of the recipient, the unconditional political support, of which China is seeking to help the developing countries ‘embarking step by step on the road of self-reliance and independent economic development’. While new areas of commitment do emerge, such as for instance, environmental cooperation, the formulation is so general that one may be tempted to claim that China is simply paying lip service to these recently emerged issues on the international agenda.

**Preliminary Comparative Observations**

Certainly, Chinese and Nordic aid policy differs significantly; the analysis of aid policies does indeed indicate that Chinese aid assistance is less influenced by the fad of development theories and international practices.

*First,* while Nordic aid policy is predominantly poverty-oriented – it has adopted a multi-disciplinary concept of poverty and professes to a pro-poor growth strategy, and demonstrates a strong commitment to the ‘global strategy’ of poverty-reduction (see Chapter 3), Chinese
aid policy on the other hand makes no reference to either ‘poverty’ or ‘poverty-reduction’. Furthermore, while the Nordic countries’ pronounced poverty-profile is manifested in the expressed commitment to pursue the MDGs and to utilise these as indicators of progress, China’s policy does not contain any poverty reduction measures, nor does it seek to facilitate poor peoples’ access to basic services or resources. Rather, Chinese aid policy is rationalised with reference to *mutuality* and *cooperation*, hence it appears instrumentalist – and correlates as such with the perspectives on Chinese aid presented in Chapter 3. Also, one may claim that the wide-ranging character of China’s African policy, covering the political, economic and social field; and peace and security, substantiates the claim that aid is one of many Chinese tools of influence.

*Second*, whereas Nordic aid policy advocates a rights-based approach to development where human rights are used as ‘the scaffolding of development policy’, Chinese aid policy on the other hand takes an unequivocal stand on human rights issues, that is, non-interference. In fact, as we have seen, the principle of non-interference is elevated to a moral unique of Chinese aid. Hence, it is the aid policies of the Western world that ‘constitute a violation of human rights’. Certainly, on this account Chinese and Nordic aid policies appears diametrically opposed.

*Third*, Chinese aid policy appears relatively unaffected by the ‘talk of harmonisation’ that characterises Nordic aid policy. This, it seems, is related to China’s self-image as distinctive to that of the West, the emphasis on self-reliance, and related to this, the projecting of aid as South-South cooperation that takes place *outside* the international North-South aid regime. Taken together, these aspects certainly set the Chinese aid policy off against the Nordic countries’ aid policy.

On the other hand, in stated policy China and the Nordic countries resemble one another on two accounts. *First*, they both underline the necessity of economic growth in order for Africa to prosper and develop. Correspondingly, they both seek to provide mechanisms to improve on Africa’s productive capacity (for instance, China pledges to improve on Africa’s agricultural productivity and to foster technological development) and Africa’s terms of trade (for instance, China pledges to “push forward the establishment of a just and rational multilateral trade system and make the voices of developing countries heard in the decision-
making of international financial affairs”, p. 3). Yet, in stated policy, more so than China, the Nordic countries are seeking to promote economic growth that benefits the poor, and also to protect the poor from the possible negative effects of growth.

Second, certainly incited by and founded on quite different considerations, they both refer to the value of solidarity as a prime mover behind aid. That is, both donors depict its foreign assistance, or rather cooperation, as a humanitarian project. China is emphasising the bonds of solidarity between the developing countries, that is South-South solidarity, and present as such China-African cooperation as something natural and peaceful, whereas the Nordic countries is emphasising international solidarity, and the responsibility that follows. Hence, one may say that the Nordic countries emphasise the moral obligation to give based on the idea of poor people’s right to a larger share of the world’s resources.

Also, when Selbervik (2006b: vii) states that “continuity is the salient feature of Nordic aid policy programmes”, this seems to hold for Chinese aid too. It appears as such that China and the Nordic countries are standing steadfast in their own ‘aid tradition’. Why? Lancaster (2007) provides one plausible explanation: “In Beijing, as elsewhere, many vested interests are involved in the existing aid system which is one reason why such systems throughout the world have usually proven hard to change in fundamental ways” (p. 7). Following this it seems inappropriate to characterise Nordic aid as ‘disinterested’. Yet, I do allege that in stated policy, the self-interested rationale is more clearly pronounced in Chinese policy.

Obviously, aid policy declarations do not necessarily tell us much about what is going on at the operational level. Hence, the following section seeks to provide a comparative analysis of Chinese and Nordic aid behaviour in Tanzania in order to investigate how their aid policies are implemented, and whether their aid practices differ on the same accounts.
6. Comparing Aid Practice: Nordic and Chinese Aid to Tanzania

China and the Nordic countries represent some of Tanzania’s most significant aid donors: They have been involved with Tanzania for more than forty years, they have provided extensive aid assistance to the country (more than to any other country) and neither of them have ever been a colonizer in Tanzania, which seemingly relieves them from a preordained scepticism. Accordingly, they are both referred to as Tanzania’s ‘All-Weather Friends’ (see for instance Selbervik 1999; People’s Daily 2006/06/23). Yet, we have seen that despite these similarities, Chinese and Nordic aid policy differs significantly. The preceding policy analysis illustrated that Nordic aid, keeping time with the shifts in the international aid regime, is pursuing a poverty-oriented aid policy founded on values of human rights, democracy, solidarity and equality. Poverty reduction provides the central rationale of Nordic aid, and the central policy measure is to facilitate poor people’s access to services and resources where economic growth is one necessary, although not sufficient component of development – that is, redistribution and protection from growth distortions are equally necessary and can only be achieved by mainstreaming human rights, and promoting democracy and good governance. Following this, in stated policy, the Nordic countries profess to a holistic approach to development. Chinese aid policy on the other hand express adherence to the value of mutuality – mutual benefit, mutual support, mutual development, that provides the central rationale of Chinese aid. The stated objective of joint prosperity is pursued peacefully and frictionless, with disregard to, or rather, in unequivocal opposition to the rights-based approach of Western aid policy. Hence, an abridged comparison of Nordic and Chinese aid policy may read: Nordic aid aspires to be Poverty-Oriented, Principled and Persistent, whereas Chinese aid ventures at being Practical, Pragmatic and Peaceful. The following section seeks to investigate how the ideas of Nordic and Chinese aid are manifested in practice and provides as such the hitherto first comparison of Nordic and Chinese aid activities in Tanzania.

As mentioned, the forthcoming comparative analysis is conducted along seven indicators: History provides a historical synthesis of the evolving relationships (the Sino-Tanzanian and the Nordic-Tanzanian), and seeks as such to present the determinative factors that have come

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6 It was Tanzania’s first President J. Nyerere that first named China and the Nordic countries the ‘All-Weather Friend’ of Tanzania (Rist 2002; Selbervik 2006b). The aphorism, which allegedly refers to these countries’ persistent and cordial relations with Tanzania, is still referred to by the Tanzanian leadership.
to characterise them, and to establish in what manner the Sino-Tanzanian aid relationship relates to China’s ‘march into Africa’ (which is spelled out in Chapter 4). In *Extent, Modalities, Sector Preferences* and *Conditions*, I specifically explore in what manner Chinese and Nordic aid policy is translated into practice. *Extent* outlines the shifts in Chinese and Nordic aid volume to Tanzania; *Aid Modalities* presents the dominant Chinese and Nordic aid modalities (and potential shifts in them) in Tanzania since inception, including the relative allocation of grants/loans; *Sector Preferences* outlines the Chinese and Nordic sector preferences; while finally *Aid Conditions* provides an outline of the conditions on Chinese and Nordic aid to Tanzania. *Harmonisation* and *Recipient-orientation* examine how Chinese aid relates to recent years’ concerted efforts to promote harmonisation and recipient-orientation in Tanzania and seek to establish how Chinese aid ‘reacts’ to evolutions in the Tanzanian aid context. Accordingly, *Harmonisation* explores to what extent China and the Nordic countries make visible commitments to donor harmonisation, while *Recipient-Orientation* seeks to establish whether the Nordic- and Chinese aid practices appears as recipient-oriented. That is, to what extent they align with Tanzania’s stated priorities and preferences, whether assistance is provided through co-ordinated programmes, and to what extent the national public financial management systems are used. Lastly, *Trade-Related Cooperation* will bring light to how Chinese aid in Tanzania relates to China’s growing resource-hunger, and seeks as such to establish in what manner trade influence on the Sino-Tanzanian aid relationship.

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7 An Aid Modality is the way donor support is channelled to the activities to be funded. Examples include project aid, which is “a form of aid to finance specific activities with a limited objective, budget and timeframe to achieve specific results. The project approach is based on the identification of a specific area of intervention for donor involvement, and the targeted use of funds for specific activities for which the objectives, outputs and inputs required to achieve them have been defined”; programme aid, budget support, which is “a form of financial aid to channel donor funds directly to the partner government’s budget, using the government’s own allocation and accounting systems, with any conditionality focused on policy measures related to growth, poverty reduction, fiscal adjustment, and strengthening institutions, especially budgetary processes (Ohno and Niyia 2004: 9).

8 Aid conditions can be apparent at three levels: procurement, policy and political. *Procurement Conditions* are associated with the business interest in aid, in which the tying of aid to technical assistance or material from the donor country is the most common condition. *Policy Conditions* relates to the tying of aid on the conditions of economic reform policies, which gained prominence in the 1980s, while with *Political Conditions*, aid is made conditional upon efforts to promote certain political measures such as human rights, democracy and good governance (Carlsson et al. 1997).

9 Donor Harmonisation refers to the efforts by donors “to integrate all aspects of their aid, including adopting common systems and procedures, adopting joint working arrangements that include shared decision-making, and sharing information” (CIDA 2003, Annex IV).
History: The Aid Relationship

The Nordic-Tanzanian Aid Relationship

Informants at all the Nordic embassies report of having especially cordial and trusting relations with the Tanzanian authorities (Selbervik 2006b: 53).

During the early years of independence, Tanzania established contact with a great number of states, including the Nordic countries, so as to ensure external funding. As some of the earliest donors to Tanzania, Norway and Sweden reported of their first aid disbursements in 1962, followed by Denmark in 1965 and Finland in 1971. Since then, Tanzania become one of the, if not the greatest beneficiary of Nordic aid (Selbervik 2006b).

According to Yu (1975) it was mainly a concurrence of interests that stimulated to close contact between Tanzania and the Nordic countries. Tanzania’s interaction with the small, developed, and non-aligned Nordic states would serve to support and further its own policy of non-alignment; it would provide Tanzania with an alternate source of aid, relieving its dependence on Chinese development assistance; and it would counter the image of a communist Tanzania, while the Nordic countries on the other hand sought to support small developing states such as Tanzania that aspired to self-reliance and independence. The Nordic countries were clearly impressed by Nyerere’s visions for Tanzania’s future, and the Ujamaa ideology was often said to resemble Nordic social democracy and welfarism. For instance, the SIDA Lander Program of 1971 reads:

Tanzania has followed a strategy which to a larger extent than many other developing countries has stressed the importance of countryside development and the danger that development efforts will only reach a smaller part of the population... the national development objectives correspond well with the values behind Swedish aid policy”, (in Elgström 1999: 128, Italics added).

This early enthusiasm was manifested in the Nordic Tanganyika Project agreed to in 1962 in which the Nordic countries committed to finance and build the Kibaha Education Centre. The centre, consisting of a secondary school, a health centre, and an agricultural training institute, and was considered to respond well to the declared needs of the recipient (Yu 1975). Nordic assistance to Tanzania during the early years consisted mainly of such joint projects. In addition to the Nordic Tanganyika Project, the Nordic countries financed and built an agriculture centre in Mbeya, and the Institute for Development Management (Andersen 2005).
The extensive use of joint Nordic arrangements during the 1960s and 70s, more so than in any other country, reflects the prominent position of Tanzania in Nordic development assistance.

During the early years of the 1980s, The Nordic-Tanzanian relationship would be defined in relation to Tanzania’s protracted negotiations with the IMF. While most donors reduced their assistance to Tanzania so as to exert pressure on its government to come to an agreement with the IMF, the Nordic countries upheld their level and supported Tanzania’s ‘home-grown’ structural adjustment programmes (Selbervik 2006a). Accordingly, the GoT considered them the all-weather friend of Tanzania, while the international donor community considered them the brake pedal delaying necessary reforms of Tanzania’s economic system. It was not until the mid-1980s that the Nordic countries clearly expressed the need for an agreement with the IMF. A joint Nordic statement of 1986 reads: “To this end the Nordic countries believe that at present there exist no realistic alternative for Tanzania to an agreement with IMF and a joint action by the government of Tanzania and the donor community” (quoted in Selbervik 1999: 37). Finland and Denmark stated that Tanzania could not expect any aid increase, while Sweden and Norway indicated that any aid increase would be conditional upon an agreement (Selbervik 1999).

These events of the 1980s would lead to a more restrained Nordic-Tanzanian relationship. The early enthusiasm and confidence in Tanzania’s development strategy had waned and was replaced by a growing scepticism towards Tanzania’s financial management. Selbervik comments (1999: 39): “The donor’s patience was wearing thin. Notwithstanding some improvements in the Tanzanian economy, too many indicators were pointing in the wrong direction.” For instance, at a Nordic-Tanzanian high level meeting in 1992, the Norwegian statement read:

Firstly, when looking at the large increase in financial inflows over the years, the GDP growth rate may seem rather modest (...) Secondly, the macroeconomic stability problems, both in terms of external and internal imbalance, seem to have increased and except for the inflation figures there is little evidence that structural adjustment has yet contributed much to consolidate or improve the key macroeconomic indicators (quoted in Selbervik 1999: 39-40).

The Nordic criticism intensified in 1994. Shortly after the World Bank’s corruption exposures, Norway and Sweden and later the EU declared that they would withhold funds until Tanzania committed itself to economic reforms – which it soon did, much due to, scholars claim the explicit shift in Nordic aid policy – that is, when suddenly the ‘soft’ Nordic
A donor acted in tough measures, Tanzania felt bound to take action. For instance, Mgonja (in Selbervik 2006a: 15) observes that: “the effect of the change in politics was not felt until 1994/95, when these countries said that we are not disbursing anything to Tanzania until you have done 1, 2, 3.” Adams (in Selbervik 2006a: 15) adheres to this: “The Nordic stick was a very effective one. (...) These are something of a moral superpower (...) The Nordic message in 1994/95 was a very important signal – and a very strong signal.” In fact, he claims, the Nordic countries achieved more during the first few years of the 1990s than they had accomplished in the decades past.

Acknowledging that the events in 1990s had cooled off the Nordic-Tanzanian relationship, the Danish Government initiated the previously-mentioned Helleiner study to restore donor-recipient relations. The resultant report, prepared by the economist G. Helleiner and four other economists, set out a list of 22 recommendations to improve on the relationship, which it reportedly did – The Reality of Aid report from 2004 reads: “Since the adoption of the Helleiner recommendations, there has been an increased focus on the identification and implementation of measures that can make development assistance more effective and efficient” (Elikana & Mapunjo 2004). Indeed, the last years have been characterised by what may be described as a concerted effort among the donor community and the GoT towards enhanced donor coordination and aid alignment, of which the Nordic countries have been active promoters. In 1996, the New Nordic-Tanzania Development Partnership was established with the stated aim of improving on the development partnership. The partnership agreement declared that the guiding principle behind development cooperation is that “Tanzania fully owns the development cooperation programmes in terms of planning, design, implementation and evaluation” (Elikana & Mapunjo 2004). Referring to this agreement, the GoT claims that “the main thrust of these principles was incorporated in the agreement between Tanzania and all donors [the JAST process]. The Nordic-Tanzania Partnership has made a major contribution towards laying the foundation for enhanced partnership” (Tanzania 2002).

Certainly, events and agreements in the new century bear witness of a Nordic commitment to build on this foundation; they have been central members of the Development Partners Group (DPG) since its inception in 2003, and were also quick to embrace the JAST process. In 2006, they in addition to 11 other bilateral donors, the African Development Bank, the European
Commission, and the World Bank, signed a Memorandum of Understanding on the JAST Strategy committing themselves to strengthen mutual and domestic accountability and national ownership of the development process; aligning their assistance with Tanzania’s priorities, systems, structures and procedures; and to harmonise their processes to reduce aid transaction costs (MoU 2006).

The Sino-Tanzanian Aid Relationship

Tanzania and China enjoy profound brotherly friendship. The Tanzanian people will never forget the valuable support and generous assistance of China over the past decades (President Kikwete in China 2006/06/23).

Sino-Tanzanian relations date back to 1961 when Tanganyika became the tenth African country to recognize the People’s Republic of China. However, it is 1964, the year of independence and the founding of the New Republic of Tanzania that serves as the inaugural year of the Sino-Tanzanian relationship. This year, the two countries signed “The Agreement on Economic and Technical Cooperation” where China pledged to provide economic and technical assistance to the value of US$ 28 million (Bailey 1975). The “Treaty of Friendship between the People’s Republic of China and the United Republic of Tanzania” was signed the following year, with “the Contracting Parties agree[ing] to develop economic and cultural relations between the two countries in the spirit of equality, mutual benefit and friendly cooperation” (China 2002/04/25).10 Since then, China has provided more than US$2 billion worth of assistance to Tanzania (People’s Daily 2000/10/11).

The early years of the Sino-Tanzanian relationship was characterised by close contact and extensive cooperation. As with the Nordic countries, (which indeed makes an interesting comparison), most scholars opine that this was due to concurrent interests between the two countries. China, which saw it as its “bounden duty to sympathize with and support the revolutionary struggles of the people of other countries” (Zhou Enlai in Bailey 1975: 48), was eager to cooperate with Tanzania because it would provide China with the necessary entry into the revolutionary Africa, while Tanzania considered the economic, and even more so, the political support from the socialist China to be of great value. Following this, the political leaders of the two countries were quick to give emphasis to their shared economic and political aspirations. China praised Tanzania’s development towards a national, autonomous

10 See Appendix B for a complete outline of Sino-Tanzanian agreements since 1964.
economy while Tanzania commended China’s model for national development. Tanzania had, in Chinese eyes, been an exemplary opponent of German and British colonialism, while Tanzania held the view of China as a champion of national liberation (Yu 1975). In fact, the mutual tribute and the emphasis on their equalities have come to represent an unvarying element of the Sino-Tanzanian relationship. By repeatedly referring to their long-lasting relationship (which, according to the Chinese Premier Chou En-lai “date back to 900 years ago”, in Yu 1975:16), their common heritage as victims of imperialism and colonialism and their shared political aspirations, political leaders have served to rationalise contemporary interaction.

The close relationship between China and Tanzania during the 1960s and 70s can also be explained by reference to two dynamic processes: the newly independent Tanzania embarking on the socialist path, leading to a more reserved West. China’s principle of non-interference was highly attractive to newly independent states, and the Tanzam Railway which China agreed to finance and build in 1964, (that had been rejected by Western donors on economic grounds) provided China with the unique opportunity of demonstrating the functionality of Chinese aid, and distance to that of Western aid. Furthermore, China saw it as an opportunity for Zambia and Tanzania to ease its dependence upon the white-controlled areas in Southern Africa as the Railway would provide the countries with an alternative route to the sea (Bailey 1975). What is more, the Tanzam Railway served China’s ambition of manifesting its presence on the continent. Indeed, it was a massive development project. At the time of construction, it was the largest aid project in the Third World and the third most expensive project in Africa, employing as much as 20 percent of Tanzania’s labour force (Bailey 1975: 46).

Sino-Tanzanian cooperation during the early years consisted mainly of such massive infrastructure project and rural industrial projects. For instance, in 1965 China agreed to finance and build the Ubongo Farm Implement Factory. With an initial production capacity of 1000 tons of farm tools, expanding to 2000 tons in 1980, the farm covered 85 per cent of the demand for hand tools in the country (Yu 1975). A few years later in 1970, the two countries agreed on the construction of the Mbarali State Farm. The farm was completed in 1977, comprising 8,000 acres of land, a farm tool repair shop, a rice-processing mill with an annual capacity of 8,000-10,000 tons of rice, a poultry farm of 50,000 chickens and a dairy farm of
100 cows, and reportedly achieved ‘brilliant results’ in the period of 1978-1984, with investment costs recovered in only six years (Ping 1999: 177). Indeed, Hutchinson (1975) claims that yet another reason for Tanzania’s warm embrace of Chinese aid during the early year was due to Nyerere’s desire for progress in the rural sector – an area in which he believed Chinese technical assistance would be of particular value.

Compared to the extensive cooperation during the early years, the 1980s Sino-Tanzanian relationship was more distant. First of all, as was noticed all across Africa, China was forced to focus inward due to domestic unrest and economic decline. Also, the active role of the World Bank and IMF and the donor countries from the West, including the Nordic countries, would to a large extent eclipse the Sino-Tanzanian relationship. Tanzania was now faced with a different donor environment from that of China; the IMF insisted on a liberalization of the economy which meant a dismantling of instruments of public regulation such as price controls and subsidies, and strict control of the foreign exchange rate. President Nyerere, clearly dissatisfied with the fierce conditions, accused the IMF of aspiring to become the ‘International Ministry of Finance’ (Svendsen 1995: 117). This resistance, scholars opine, was not exclusive to the political leadership, but had its basis in influential sections of the population (Svendsen 1995). Ideologically strong preferences for state-led development and the ‘nostalgia’ of China’s unconditional development assistance from a few years earlier may help to explain this wide-ranging resistance against the IMF measures.

A clear confirmation of China’s seclusion in the 1980s was the announcement by the Chinese leadership that China would undertake no new aid projects on the scale of the Tanzam Railway (Bräutigam 2007). There may be several reasons for this. First, the Tanzam project was, as mentioned, a massive one and had proved particularly costly to China. The total cost was high and the demands for technical and engineering expertise were staggering compared to the limited capacity China had at the time. More importantly, the Tanzam Railway was increasingly viewed a failure. Much due to defect in the Chinese technology, by 1981, only 30 out of 85 original locomotives were operating (le Pere & Shelton 2007: 63). Hence, in stead of financing new projects in Tanzania, in 1986 China agreed to renovate 60 former projects (the Tanzam Railway being one of them) of which the main objective was to ensure that these projects could sustain their benefits throughout the 1990s. Indeed, few, if any new projects were implemented in the 1990s.
“The world is changing at a very speed, but the friendship between Tanzania and China remains unchanged but further developed”, Tanzania’s President declared in 2001 (People’s Daily 2001/10/20). Indeed, the 2000s seem to bear witness more of a consolidation of the Sino-Tanzanian aid relationship and the forms of cooperation that follows, rather than a significantly new approach to Tanzania. That is, while scholars commonly assume that China’s quest for natural resources is increasingly determining its aid policy, the central tenets of Sino-Tanzanian aid cooperation does not substantiate such a claim. First, aid is still provided predominantly for large-scale infrastructure projects. For instance, in 2002, China agreed to cover half the cost of a national stadium in Dar es Salaam (p. 56), described by the Tanzanian Prime Minister as “one more crystallization of bilateral friendship and cooperation” (China View 2006/06/23). Second, China continues to provide assistance to health and education projects. Since the 1960s, 80 Tanzanian students have completed studies in China (many of these speak fluently Mandarin, and are working with Chinese companies in Tanzanian, Centre for Chinese Studies 2006), while since 1987, China has sent more than 10 groups of doctors to Tanzania, reportedly treating more than 10,000 Tanzanian patients (China Daily 2003/09/25). In 2006, China pledged to provide Tanzania with anti-malaria drugs and to construct a malaria-prevention and treatment centre (Reuters 2006/06/23).

Moreover, as it was during the early years of cooperation, the Sino-Tanzanian relationship is maintained through frequent high-level visits by Chinese and Tanzanian leaders, and their repeated reference to the Sino-Tanzanian friendship. For instance, during a visit to the Dar es Salaam national stadium in 2006, the Chinese Premier declared: “Let the Tanzanian National Stadium be a monument of friendship and cooperation towering aloft in Tanzania like the Tanzania-Zambia Railway. Let it benefit the Tanzanian people and make greater contribution to the friendship between China and Tanzania” (China 2006/06/24, Italics added).

Preliminary Comparative Observations

The historical outline clearly illustrates that China and the Nordic countries represent some of Tanzania’s most significant aid donors. The involvement is deeply rooted in history and is manifested in concrete outcomes – development projects and agreements, and (especially so with the Sino-Tanzanian relationship) in what I call the ‘rhetoric of friendship’ – the repeated reference to the friendly relations between them. The ‘rhetoric of friendship’ is also found explicitly in the naming of Chinese projects in Tanzania. Examples include the Friendship
Textile Mill and the Tanzam Railway, also called the Uhuru Railway, which is the Swahili word for freedom (Yu 1975). Certainly, it appears that both donors aspire to maintain a cordial and trusting relationship with Tanzania.

An interesting similarity between them is what appears as concurrent incentives behind their first moves as donors to Tanzania. That is, by disbursing aid they both sought to provide Tanzania with a wider margin for action vis-à-vis the major powers. Accordingly, they supported Tanzania politically, through the acceptance of, and indeed also tribute to Tanzania’s socialist visions of self-reliance presented in the Arusha Declaration, and economically through extensive aid contributions. In fact, Chinese and Nordic assistance to Tanzania during the 1960s and 70s was beyond all comparison with other African countries.

Furthermore, the pattern of Chinese and Nordic aid assistance during this period bears witness to considerable alignment with Tanzania’s policy aspirations and priorities. Rural development was considered a precondition for development - ‘the only road through which we can develop our country’ (Arusha Declaration 1967), and assistance was targeted almost exclusively towards the agricultural sector (see Rist 2002).

The special period of the early 1980s can also serve to illustrate the unique place of Tanzania in Chinese and Nordic development assistance. That is, by the way the two countries’ policies diverge from the mainstream tendency: The Nordic countries continued to support Tanzania all through the first half of the 1980s when the general policy of the international community was to withhold funds, and China too maintained (though less extensively) a moderate level of support while withdrawing extensively from other African partner countries.

Yet, the Nordic countries did eventually submit to the general policy of the international donor community and have since then, as we have seen been active promoters of enhanced donor cooperation. Also, while China stands steadfast on its policy of non-interference, the Nordic countries have followed the international trend towards conditionality-based aid. We may say then, that while the Sino-Tanzanian relationship is characterised by stability and continuity, the Nordic-Tanzanian relationship has evolved through (at least) three phases: from infant enthusiasm during the early years, to donor scepticism and restrained relations
during the 1980s and early 1990s, to concerted efforts towards improved relations during the late 1990s and 2000s.

Extent: The Volume Performances

The Nordic Aid Flows to Tanzania

In general, Nordic aid flows to Tanzania correspond with the aggregated tendencies of the DAC countries outlined in Chapter 4. Consequently, the level of aid increased steadily during the Pre-Aid Boom of the 1960s and heavily during the First Aid-Boom of the 1970s. In fact, between 1971 and 1979, Nordic aid rose almost ten-fold from US$19 million to US$181.35 million, and total Nordic development assistance amounted to US$818.86 million of which Swedish aid constituted close to 50 percent (OECD Statistics Portal). The central reasons for this early generosity also seemingly concur with the DAC generality: A strong faith in the developmental impact of aid assistance and a declared confidence in Tanzania’s ambitious development strategy.

During the early years of the 1980s, of what has been referred to as the Aid Reduction Period, Nordic aid flow diverges from the mainstream tendency; while total ODA fell by close to 30 percent during these five years, Nordic assistance remained relatively stable (OECD Statistics Portal). Indeed, it has been argued that much owing to continued support of the Nordic donor, Tanzania could afford to resist the IMF requirements for as long as it did (Plack 1997). Also, while other bilateral donors stated that no agreement with the IMF would lead to substantial cuts in aid, the Nordic countries (except for Denmark) made pledges of extra funding if an agreement was reached (Selbervik 1999). Consequently, 1986 was a peak year of Nordic bilateral aid to Tanzania contributing to as much as 50.95 percent of total ODA assistance (Selbervik 1999: 31). Between 1986 and 1992 Nordic aid flow follows the general DAC trend; a moderate, though steady increase. This may reflect what Selbervik refers to as a “general satisfaction among the donors about the way in which the Economic Recovery Program was being implemented” (p. 37).

Yet, as we have seen, this ‘general satisfaction’ would soon shift to a realization that despite some improvements, “Tanzania seems even more dependent upon external aid today than it
was when the [Economic Recovery] Program started” (Statement by Norway, Consultative Group Meeting 1992, quoted in Selbervik 1999: 40). Following the serious corruption exposures in 1994, the Nordic countries decided to withhold funds until Tanzania showed commitment to eradicate corrupt practices. Hence, in 1995 the Nordic aid level (excluding Norway) dropped significantly of which Finnish cuts were most significant (comprising a halving of aid, OECD Statistics Portal). The reason why Norwegian aid remained stable in 1995 is much due to the extensive Norwegian support to the election process that year (Selbervik 1999).

The second half of the 1990s and the years around the turn of the century are characterised by less of an unanimity in aid flows from the Nordic countries: Danish aid decreased steadily from US$91 million in 1996 to US$ 70 million in 2003, with the exception of 1999 when aid to Tanzania totalled US$80 million; Finnish aid reached a low point in 1996 of only US$ 9 million, the lowest level since 1978, but has steadily increased since; Norwegian aid decreased from US$54 million in 1996 to US$35 million in 2001, reaching the lowest level since 1979; while Swedish aid remained relatively stable at around US$55-60 million. Part of this reason may be that while during the 1970s and 1980s, Nordic aid policies towards Tanzania were highly coordinated, the Nordic countries, Selbervik (2006b: 62) observes, “no longer function as a useful sub-group.”

Following what appears to be a response to the Tanzania-initiated JAST process in 2002 and Tanzania’s stated commitment to improve on their external funding management, all the Nordic countries have steadily increased their aid disbursements to Tanzania – as have the generality of the DAC countries. Total Nordic aid amounted to US$313 million in 2006, which constitutes 1/3 of total DAC assistance. While significantly higher than the mere 1/6 share in 2001, the general tendency is that, in the words of Selbervik (2006b: 41) “in terms of financial muscles the Nordics are ‘loosing’ their relatively dominant position in Tanzania.”

The Chinese Aid Flows to Tanzania

As we would expect, compared to the comprehensive data material on DAC flows to Tanzania, the Chinese data is correspondingly poor. Rather than aggregated aid flow data, it is the concrete outcomes; the hospitals built, the number of experts disbursed, the number of agreements signed etc. that must serve as our information basis regarding Chinese volume
performances in Tanzania. Allowing for fairly large margins of error, discernible patterns are evident.

It should not come as a surprise that Chinese assistance to Tanzania during the 1960s and 70s was extensive. In a few years, China financed a significant number of development projects that will give us an idea of the volume of Chinese aid. Worth mentioning are the Tanzam Railway (US$200.5 million\(^{11}\), Yu 1975: 133), the Friendship Textile Mill (US$7 million, Bech 1987: 193), the Ubongo Farm Implements Factory (US$0.5 million, Yu 1975: 79), Ruvu State Farm (US$1.1-1.4 million, Yu 1975: 78), the Mbarali Irrigation Scheme (US$4.3 million, Yu 1975: 79). In total, Chinese aid between 1964 and 1971, reportedly amounted to US$255.8 million, of which US$250.2 million was provided as loans and US$5.6 as grants (Yu 1975: 79). Only between 1967 and 1968, China allegedly financed 23 projects in Tanzania of which the financial assistance range from a low US$1,000 for cattle/coconut schemes to the US$200 million Tanzam loan (Yu 1975: 84). Yet, according to Yu (1975: 75), by 1971 there was a considerable gap between Chinese pledges and actual disbursements – only US$32.3 out of US$250.2 million as of 30 June 1971. This, he claims, was because the loans were provided as general aid promises without specific project commitment. Thus, the slow disbursement could be due to the failure to agree on project selection. Also, he adds, one should consider China’s inexperience to implement its aid pledges at the time and that credits were not accounted for until the project was completed.

The Chinese aid volume to Tanzania remained extensive throughout the 1970s. According to Bech (1987: 198), China’s aid commitments to Tanzania between 1970 and 1976 totalled US$304 million, funding inter alia a military hospital, a national stadium, a farm equipment factory, a medicine plant factory, several housing projects, a party building, a pumping station, and brick works, a furniture factory, a sugar refinery, a saw mill, and an agro-technical station. While these aid figures are generally uncertain, they do seemingly indicate that the Chinese aid volume remained significant throughout the expansionary years and, as such correspond with the DAC pattern.

\(^{11}\) It should be noted that the estimated total Chinese assistance to the railway vary from 200 to ‘at least US$400 mill’, to ‘well over US$500 mill’, to US$680 mill (in Bech 1987: 235). The most common cited amount is in the US$400 million-range (le Pere & Shelton 2007: 58). This correlates with Yu’s findings, considering that the loan was divided equally between Tanzania and Zambia.
As already mentioned, compared to the general pattern of Chinese aid to Africa, Chinese aid to Tanzania remained relatively steady (though moderate) throughout the 1980s. According to Bech (1987: 193), Chinese aid to Tanzania between 1982 and 1985 totalled US$225.4 million which is a significant amount indeed, funding *inter alia* an agro-technical station, a party headquarter, a radio transmitter, and industrial sewing machines. Yet, on the main, Chinese aid during this period was provided as project maintenance and technical cooperation. Also, China turned down a request for a second railway, and assistance in iron ore extraction. While the figures of Chinese aid should be considered as merely instructive, it seems that the Sino-Tanzanian relationship was less influenced by China’s economic situation than the overall Chinese engagement with Africa, of which a plausible explanation may be that China continued to assist Tanzania so as to ‘reward an old friend’.

In 1986, China agreed to renovate more than 60 former Chinese projects in Tanzania. For instance, US$5.6 million was provided to finance the restoration of the Tanzam Railway (Xinhua 1986/08/14 in Bräutigam 2007). Hence, during the latter part of the 1980s and throughout the 1990s, China supplied Tanzania with spare parts, repaired decayed railway tracks, renovated crumbling irrigation dams, and managed sugar mills fallen into near-bankruptcy. This ‘assisted sustainability’ was provided either as aid or commercial loans at very reasonable rates. Compared to the ‘moderate’ interest in the study of Chinese aid to Africa during the early years, the literature on Chinese aid during the late 1980s and 1990s is significantly sparse. Hence, the value of the agreement of 1986 is not known, nor the size of Chinese aid to Tanzania in the years that followed.

Since 2000, China has funded several extensive project in Tanzania, including a water supply project in 2001 (US$12 million), water pumps in 2003, agriculture equipment and material in 2003, the already-mentioned national stadium in Dar es Salaam in 2004 (US$20.5 million), a water project in 2005 (US$77.2 million), an agriculture demonstration centre in 2006, US$1 million in food aid, and US$0.5 million to train midwives and nurses in 2007 (see CCS 2006: 45, People’s Daily 2003/01/30, Xinhua 2006/04/13, Xinhua 2005/11/16). Again, due to a poor data base it appears difficult to present an exhaustive overview of Chinese aid Tanzania, and to establish any potential gap between pledges and actual disbursements. Though, it seems that the boosting character of China’s re-engagement with Africa is less visible in Chinese aid
disbursements to Tanzania, but more so in the increased trade volume that will be addressed later.

**Preliminary Comparative Observations**

The seemingly fragmentary outline of Chinese aid flows to Tanzania can serve only to carefully indicate differences in aid patterns between China and the Nordic countries. What we may establish with relative certainty is that the tendency of Chinese aid flow does in fact concur significantly with Nordic aid flows. Accordingly, Chinese aid grew significantly during the early years. In fact, in volume Chinese aid grew more rapidly and by far surpassed Nordic assistance by 1971. It seems opportune to ask whether this observed generosity were induced in some degree by a shared faith in Tanzania’s ambitious, *socialist* I might add, development strategies.

Furthermore, while the aggregated DAC aid volume (and indeed also the total share of Chinese aid to Africa) decreased significantly during the early 1980s, Chinese and Nordic aid assistance remained relatively stable. Yet, while Chinese aid during the 1970s gathered on the Tanzam railway, Chinese aid in the 1980s consisted mainly of renovating old projects, hence appears as more fragmented. It has been claimed that the sustained Nordic aid level during the early 1980s was much due to these countries’ declaredly poverty-oriented, humanitarian aid profile, that is, to provide aid to the poorest countries and continue to provide it as long as there was need. We see that as the 1980s wore on, the Nordic donors acted in tough measures. More so than earlier it seems the aid flow was determined by domestic conditions within Tanzania. As one would expect, the Chinese aid volume has remained stable despite allegations of escalating corruption and increased aid dependence in Tanzania.

Measured by international standards and compared to the Nordic aid volume of recent years, Chinese aid to Tanzania is moderate. Hence, there seems to be no indications, *thus far* that is, of China “boosting” its aid to Tanzania.
Aid Modalities

Nordic Aid Modalities

Again, this time with regards to dominant aid modalities, we find that Nordic aid to Tanzania has followed the overall shifts in the donor community. Consequently, during the early years aid was predominantly project based, targeting the social sector and agriculture. The above-mentioned Nordic Tanganyika Project agreed to in 1962 is one example of Nordic project aid. Here, the planning, implementation and operation of the project was managed by the Nordic countries, thus in accordance with the dominant development practice of that period – as little trust was granted the recipient’s priorities, the local governments were omitted from the decision-making processes. Also, most Nordic aid to Tanzania was provided as grants while the standard terms for credit were generally ‘soft’ with an interest rate below 2 percent and a repayment time of 25 years (Widstrand & Červenka 1971).

The provision of Nordic aid as grant-based project assistance remained dominant throughout the 1970s. Mushi (1995) observes that the order of priority (commodities/import support, project aid, technical assistance, and programme aid) in Nordic aid to Tanzania during the latter part of the 1980s did not only accord well with the economic situation in Tanzania, it also suited the export and consultancy needs of the Nordic business community. Yet, following Tanzania’s ever-decreasing import capacity and project aid’s loss of attraction, the Nordic countries sought to shift away from project support to various forms of programme assistance. Examples of budgetary programme support in Tanzania include DANIDA’s Essential Drugs Programme, SIDA’s support for school textbooks production and NORAD’s maintenance support to the Institute of Development Management (Wangwe 1998). Still the aid-as-grants ratio remained high; in fact, during the 1980s Sweden did not provide any assistance to Tanzania as loans (Mushi 1995).

In 2002, the GoT stated that General Budget Support (GBS) was its preferred aid modality (Tanzania 2002). In some extent, the Nordic donors have responded differently to this request. While Sweden and Norway actively support and promote increased use of GBS, Denmark and Finland opt for a slower transition. Currently, Finland allocates 10-15 percent as GBS, 25 percent through sector initiatives, and 55-65 percent as project support; Denmark has remained somewhat sceptical to the recent trends, and only 18 percent is allocated as GBS;
Norway allocates project aid, sector support, and GBS in approximately equal amounts, whereas Swedish aid is split between project aid and programme aid (Selbervik 2006b: 47-48). All the same, the goal of providing 66 percent of aid flows in ‘the context of programme-based approaches’ is a principle they declare their adherence to (Selbervik 2006b: 34), hence, we may expect that GBS aid will increase further. Also, the Nordic countries assistance programmes continue to rest on grant-based aid; only a minimal amount is provided as loans.

Chinese Aid Modalities

Chinese aid to Tanzania is disbursed as project aid, technical aid or material aid provided either in grants, as interest-free loans payable over a relatively long period of time, or more recently, as low-interest concessional loans. The assistance is usually provided in kind, not in cash, and project assistance constitutes the most dominant aid modality. Since 1964, China has financed close to 200 projects in Tanzania (of the total 800, Ping 1999).

The Tanzam Railway provides a good example of Chinese assistance to Tanzania. The railway is a so-called *turn-key project* meaning that the donor plans and develops the project, and provides all necessary material. China’s loan to the project, the US$401 million, was interest-free and repayable over 30 years, starting in 1983. Repayment was to be in freely convertible currencies or goods acceptable to China (Yu 1975). Chinese assistance also included a grant of US$28 million. Other turn-key projects include the Ubongo Farm Implement Factory of 1965, the Mbarali Farm of 1970, and Mbeya Technical Extension Service Station of 1980. All of these are agriculture projects which, in addition to infrastructure, constitute a significant component of Chinese aid to Tanzania. These projects were often large-scale state farms with a high level of mechanisation.

More recent agreements include a US$75 million concessional loan provided by the China Exim Bank for the implementation of communication infrastructure projects in February 2008 (Tanzania 2008/02/27), and a debt relief agreement in 2001 where China announced it would exempt Tanzania from the obligations of repaying 15 batches of interest-free loans totalling US$19.2 million (CCS 2006: 51). At the signing ceremony of the US$75 million loan agreement in February this year, Tanzania’s Secretary to the Treasury declared: “Communication infrastructure development plays a great role in accelerating economic growth which in turn creates a foundation for sustainable poverty reduction and creation of
wealth. It also greatly contributes to transfer of technology and information sharing across the world” (Tanzania 2008/02/27).

**Preliminary Comparative Observations**

One may argue that the format of aid disbursements is determined by a combination of domestic factors in donor country and recipient country, and international trends – that is, at least with regards to Nordic aid modalities. It seems that the format of Nordic aid is attributable both to the requests of Tanzania, international trends, and how domestic factors relate to these. Yet, whereas Nordic aid in large degree has followed the general shifts in aid modalities, the Chinese assistance model is characterised by a relatively constant preference for project aid, and is seemingly less influenced by international trends. Rather, it appears that the format of Chinese aid is determined predominantly by domestic preferences and capabilities. Despite this constant preference for project aid, Chinese aid in Tanzania appears sporadic. Certainly, project assistance is a fragmented, short-term aid form where assistance is provided to the construction of one stadium or one hospital. When the project is finished, the Chinese company withdraws or establishes a local branch in the country.

Bräutigam (2007) has referred to the Chinese projects as ‘proofs of competence’. Indeed, in 2007 the Minister of Commerce, Bo Xilai, as he was presenting China’s Reward for Promoting Foreign Aid Projects, declared that: “Each of our projects represent China’s image. A project well done adds glory to our nation; to do otherwise would tarnish its reputation” (China Daily 2007/02/05). One may argue then that the constant preference for project aid is a strategic choice – it is China’s way of manifesting, or rather, materialising its presence in the country. Furthermore, it might also be that project aid is considered the most appropriate modality for China to make the most of its competencies; working power, cheap technology and competitive construction companies.

**Sector Preferences**

**Nordic Sector Preferences**

As previously mentioned, all the Nordic countries have agreed to Tanzania’s Joint Assistance Strategy on development cooperation of which a central policy measure is *sectoral*
concentration so as to make aid more efficient and reduce the transaction costs to Tanzania. (Indeed, the profusion of aid projects has provided Tanzania with a considerable cost. In 2002, it was estimated that more than 2000 donor reports were prepared annually and that the country was receiving more than 1000 missions. The direct cost only amounted to an estimated US$15-20 million, Sweden 2006: 6). Consequently, in recent years all four countries have been in the process of concentrating on a fewer number of sectors. An examination of the Nordic countries’ annual aid reports bear witness of concurrent sector preferences; they are generally soft and follows as such the general tendency of the 1990s – a reorientation towards the social sector.\footnote{While social sector preferences characterised Nordic assistance to Tanzania in the early years, during the 1970s more assistance was provided to the industrial sector, including infrastructure and energy – hence, a ‘reorientation’ (Selbervik 2006b).}

Denmark’s development assistance to Tanzania is targeted towards the business sector, the health sector, and natural resources in particular, and democracy and good governance, public administration, private cooperation and refugees as so-called “cross-cutting issues” (Denmark 2006b). Since 1994, Denmark aid assistance has been managed as sector programme support with a time frame of normally five years. For instance, in Tanzania, Denmark is supporting the Business Sector Programme Support that will be concluded in 2008, followed by a third phase implemented from 2008-2012. The Health Sector Programme, commenced in 1996, is in its third phase and currently covers the period 2004-2009, and in 2003 a five-year component to support Sustainable Wetlands Management was approved, seeking to develop a national level framework and support functions for sustainable wetland management in operation by 2009. Denmark also supports urban environmental management which is based on Tanzania’s ‘Sustainable Cities Programme’ and provides project support to natural resources management. Furthermore, with regards to governance, (which is a so-called ‘cross-cutting issue) Denmark pledges to commence a governance programme that will run from 2008 to 2010, seeking to improve and promote democratisation and domestic accountability; human rights and access to justice; and public financial management. Denmark’s engagement also includes support to four core reforms: legal sector reform, public service reform, public financial management reform, and local government reform (all developed by the GoT) (Denmark 2008). Finally, during the next few years, Denmark seeks to phase out its support to the agriculture sector and the roads sector, which
until recently constituted a central component of Danish assistance to Tanzania (Denmark 2006b; Denmark 2002).

*Finnish development assistance* in targeted specifically towards *forestry/environment, education, local governance, and good governance*. Finland has provided assistance to the forestry sector since the 1970s and is currently supporting the National Forestry Programme that runs from 2001 to 2010. It supported the Primary Education Development Programme from 2002 to 2005, and since then through budget support. In 2006, Finland agreed to specifically support the inclusive and special education for children with special needs and learning difficulties through short-term technical assistance to the Ministry of Education in Tanzania. Since 1999, Finland has supported the Local Government Reform developed by Tanzania. Support is channelled through the Local Government Capital Development Grant to local development projects that are based on local needs. In order to qualify for the programme the district authorities need to comply with minimum performance criteria e.g. concerning transparency and financial management. Finland is also supporting (together with Sweden and Norway) the UNDP-managed anti-corruption programme (Finland 2008/3/5).

*Norwegian development assistance* is concentrated on the following sectors: *good governance, education and research, decentralisation, roads, environment, energy, and health (HIV, child mortality and maternal health)*. Norway has supported the energy sector since 1986 through the Rural Electrification Programme and in 2006 Norway pledged to develop the electricity system on the islands. Furthermore, support is provided to target the MDG 4 and 5 specifically through the National Care and Treatment Plan. Norway supports road development through a five-year agreement running from 2005, and since 2002 Norway has supported the Primary Education Development Programme (which has been incorporated in GBS since 2006) (Norway 2008). In addition, the Norwegian/Tanzanian MoU reads: “Norwegian cooperation *may* also continue support for promotion of gender equality, for roads, higher education and research, and for combating the HIV/AIDS epidemic, in addition to assistance for facilitating development through direct investment and trade, educational grants and cultural cooperation” (2007: 2).

*Swedish development assistance* to Tanzania has been characterised by a broad-based approach covering a wide range of sectors. Hence, in the strategy document 2006-2010,
Sweden proposes to phase out involvement in as much as seven sectors: judicial, health, culture, urban, financial management, land management and the ICT (Information and Communication Technologies) sector. The sectoral concentration is reduced to energy, where Sweden is supporting the expansion of a national power grid; trade-related private sector development which is aimed at improving the provision of financial services (e.g. microcredit for small businesses); education and research, supporting in particular higher education and research; rural development of which Sweden is supporting the Land Management Programme aimed at increasing production within agriculture, forestry and other national resource sectors; and Good Governance, supporting the Public Financial Management Reform Programme, and the Local Government Reform Programme. This reform seek to increase autonomy for democratically elected district councils; strengthen the local financial management capacity, local ownership and accountability; promote legal reform, build the capacity of district administration, and to improve on the local government’s ability to deliver public services (“that are being hampered by Tanzania’s centralised system of government”, Sweden 2006: 11). Sweden is also providing support to the media sector, and “cross-cutting issues”, including HIV and peace/conflict resolution (Sweden 2006).

To summarise, all four countries support the natural resource sector and good governance initiatives. Denmark is not involved with education, anti-corruption and the legal system, nor Finland with trade, while Sweden does not provide assistance to decentralization initiatives. Furthermore, the overview witnesses of a fairly even distribution between Tanzania’s three ‘clusters of commitment’, outlined in its National Strategy for Growth and Reduction of Poverty (referred to as the MKUKUTA). Yet, the percentage coverage is highest within Cluster III – governance and accountability (75 percent), with Cluster I – growth and poverty reduction, second (62 percent), and Cluster II – social well-being, third (35 percent). Indeed, the Nordic countries are providing more attention to good governance than previous decades.13

**Chinese Sector Preferences**

Chinese sector preferences are best described as invariable – as in the 1960s, infrastructure still constitutes the largest sector component of Chinese aid, followed by agriculture, health, natural resource development, and to a lesser degree education. Most recent Chinese aid

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13 See Appendix C for a schematic overview of Nordic sector involvement in Tanzania.
pledges to Tanzania include: *Infrastructure* – In 2004 China agreed to cover half the cost of The National Stadium in Dar es Salaam and recently provided a US$11 million loan to Tanzania and Zambia to rehabilitate the Tanzam railway (CCS 2006); *Agriculture* – In 2003, China donated 15 tractors and 25 water pumps to Tanzania, as was pledged by China in 2000 (People’s Daily 2003/01/30), in 2005, China donated US$123,615 worth of agricultural machinery to the Tanzanian government, that included 3 heavy-duty tractors with their implements, 7 power tillers with their implements, 2 milling machines and 2 water pumping systems (Xinhua 2005/11/16), and in 2007, China pledged to send 58 experts on agricultural technology to Tunisia, Ethiopia, Sudan and Tanzania (China Daily 2007/11/17); *Education* – In 2006 China sent 26 young volunteers to work as teachers. *Water* – In 2001, China provided a grant close to US$12 million for the construction of the Chalinze Water Supply Project (CCS 2006); and *Health* – In 2006, China pledged to explore the possibility of setting up an anti-malaria joint venture factory (People’s Daily 2006/06/23), in 2007, the Chinese government donated US$500,000 to training of nurses and midwives, and to send 16 malaria experts to Tanzania (People’s Daily 2007/27/06). Furthermore, China has begun a research project on using traditional Chinese medicine to treat HIV/AIDS. The project is being organized by the China Academy of Traditional Chinese Medicine and has reportedly treated 10,000 Tanzanians with an effect-rate of 40% (CRI 2004/12/2). Also, in 2006, the Chinese State Councillor announced that “China [would] develop cooperation with Tanzania on fighting corruption and improving administrative supervision, [and] would like to continue exchanges with Tanzania on clean-government building and other areas on the basis of mutual respect and equality” (People’s Daily 2006/10/25). Finally, as mentioned, in 2001 China pledged to cancel 15 batches of interest-free loans worth of US$19.2 million (CCS 2006) and in 2006, China donated US$1 million in food assistance to Tanzania (Xinhua 2006/04/13). China has also declared that it seeks to strengthen cooperation in infrastructure, resources exploitation, agriculture and telecommunications (China 2006/06/23).

**Preliminary Comparative Observations**

Much due to China’s unvarying aid modality and sector preferences, the cleavage between Nordic and Chinese aid practices in Tanzania appears to have widened. That is, while Chinese sector involvement is limited to the productive sector and health, (assistance to education is negligible), Nordic aid covers a wider aspect of Tanzania’s society than it did during the early
years of assistance.\textsuperscript{14} Chinese aid appears fragmented and spontaneous with Chinese leaders announcing one or two aid commitments during a high-level visit to the country. Nordic aid on the other hand appears more stable, incorporating a longitudinal perspective where Nordic funding is channelled through long-term programmes. This is not to say that Nordic aid is necessarily more effective, yet it seems that Nordic aid to a greater extent is targeted towards the poor and vulnerable (examples include Nordic funding to the Free Primary Education Programme, Finland’s assistance to special education for children with special needs and learning difficulties, and Norway’s support to maternal health and child mortality).

Moreover, and what stands out as the most significant difference between Nordic and Chinese Sector Preferences in Tanzania is assistance to governance and accountability, or the lack of it in China’s case. As we have seen, China does not provide any financial assistance to Cluster III sectors in Tanzania. Also, it seems safe to say that thus far, China’s recent pledges of ‘developing cooperation with Tanzania on fighting corruption’ have not seen any direct results, or renewed commitment for that matter. Adhering to the recent theorising of China’s soft power strategy, it seems that Chinese assistance is concentrated to the sectors that may promote growth – industry and agriculture; that show to advantage China’s economic model and competence; and finally, that fronts Chinese culture (for instance, through the display of traditional Chinese medicine in health assistance).

Also, China’s donations appear as relatively modest. When one in 10 farmers in Tanzania resorts to agricultural machinery (these are numbers presented by Xinhua 2005/11/16), we understand that a donation of 15 tractors in 2003 and 3 tractors in 2006 is relatively unassuming.

Finally, what certainly substantiates the impression that Chinese aid must be understood by its own dynamism is the observation that all of Chinese aid contributions are channelled outside the GoT-initiated reform programmes, such as the Local Government Programme, and the Public Financial Management Reform Programme.

\textsuperscript{14} See Appendix D for a schematic comparison of Chinese and Nordic sector preferences.
Aid Conditions

Nordic Aid Conditions

Conditions on Nordic aid to Tanzania have, over the years, been apparent at all three levels outlined in Chapter 1 – procurement, policy and political. First, with regards to procurement conditions, the tying of Nordic programme assistance to Tanzania was extensive during the 1980s. During this time, the Nordic countries introduced commodities/import aid (aimed at increasing Tanzania’s capacity to import spare parts and raw material) which led to examples of double and even triple tying of Nordic aid. For instance, 70 percent of Danish aid to Tanzania was sourced from Denmark which implied that any necessary hardware material needed should be purchased from Denmark, and technical assistance personnel was limited to Denmark or, at most Scandinavia (Carlsson et al. 1997). Yet, following the “Helsinki Package” in 1991 where the OECD countries agreed to restrict the use of tied aid, Nordic tied aid to Tanzania has been substantially reduced. A central reason for this was the acknowledgement that procurement conditions often imposed extra costs or distortions on the recipient country. For instance, in 1982, Danish electrical items were procured for a Danish-funded School Maintenance Project, only to find that these were incompatible with the British standard used in Tanzania (Carlsson et al. 1997). Furthermore, Carlsson (et al. 1997) finds that the use of technical assistance personnel from the donor country usually implied a highly disproportionate remuneration disparity-ratio, often as high as 1:100 in favour of the donor-country personnel. A positive element of procurement conditioned aid may be to enhance trade between donor and recipient country. Yet, as we will see, Nordic-Tanzanian trade has been, and still is minimal.

Second, related to policy conditions, initially the Nordic countries were, as we have seen, reluctant to make aid conditional upon economic reforms – the IMF-initiated structural adjustment programmes more specifically. Analysing Danish assistance to Tanzania, Carlsson (et al. 1997) finds that a central reason for the reluctance to impose policy conditions was the perception that the SAPs were biased against the social sector – a sector that certainly constitutes a central tenet of Nordic development assistance. Thus, “Denmark’s subscription to the condition was accompanied by encouragement to the WB that it accommodates the

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15 Singly tying is specifying the purpose of the aid, double tying is specifying the purpose and linking it with sources in the donor country, triple tying is determining purpose, donor country and specific firms in the country (Mushi 1995).
social dimensions of adjustment by addressing the fate of the poor and vulnerable social groups” (Carlsson et al. 1997: 182). Examples of Nordic policy conditions include statements in 1984 where Finland and Denmark declared that Tanzania could not expect any aid increase, while Sweden and Norway indicated that any aid increase would be conditional on an agreement with the IMF. For instance, Norway stated that “Norway has decided to defer a decision on allocations for balance-of-payments support for the planning period 1985–88. A decision regarding this will take into consideration the development of Tanzania’s economy and the progress made in the negotiation with IMF and the World Bank” (in Selbervik 1999: 35).

Third, with regards to political conditions, gradually the Nordic countries have made pledges for extra funding conditional upon compliance with political commitment in Tanzania. For instance, Denmark and Finland operate with a so-called ‘variable tranche’ as part of their GBS, meaning that for each year a certain percent of GBS is linked to the achievement of a specific, jointly agreed performance criteria (Denmark 2008/02/28). Consequently, if Tanzania succeeds to achieve these jointly set criteria, extra funding is released – if not, the donor country may withhold funds. Consequently, in 2007 Denmark announced that it would withhold funds worth of 18 million DKK as GBS (20 pct of its GBS) for the financial year 2007/2008 because Tanzania did not fulfil its long time awaited anti-corruption legislation (Denmark 2008/02/28), while in March this year Finland announced that it would withhold GBS funds worth of €2 million because of serious allegation of corruption involving the Prime Minister, the Minister of Energy, the Minister of East African cooperation and the director general of the prevention and combating of corruption bureau (Finland 2008/13/3). Neither Norway nor Sweden operates with a set ‘variable tranche’, but they do make pledges for additional aid as a reward for ‘good behaviour’. For instance, Sweden’s Tanzanian strategy of 2006-2010 reads:

There is scope for substantial increases in Swedish assistance during the strategy period 2006-2010. A higher volume, however, presupposes continued progress with regard to democratic governance, public accountability and integrity in public life, including active measures to deal with corruption. In a worst-case scenario where development in Tanzania deteriorated substantially, a likely consequence would be the termination of Swedish GBS and a corresponding reduction in the total volume of Swedish assistance. Sida may plan for a larger volume of aid to Tanzania, but implementation is to be made contingent on the critical development factors described above. If the situation develops favourably, Sida may plan for a total volume of SEK 3.8 billion during the strategy period, increasing by stages from SEK 700 million in 2006 to 800 million in 2010 (Sweden 2006, Italics added).
**Chinese Aid Conditions**

As a starting point, Chinese aid conditions are limited to one level – *procurement*. Indeed, we have seen that Chinese aid is seldom provided in cash; rather it is tied to the purchase of Chinese commodities and material and to Chinese technical personnel, implying a double or triple tying of aid. For instance, of the Tanzam loan in the 1960s and 70s, 60 percent would be financed by China selling Chinese consumer goods to Tanzania and Zambia. Consequently, the two countries were committed to purchase a total of US$120 million worth of Chinese goods during the years of construction (Yu 1975). Also, the Chinese loan to the National Stadium in Dar es Salaam was tied to *purpose*, to the *purchase of Chinese goods* (at least 50 percent, Bräutigam 2007: 7), and to a *Chinese firm*; Beijing Construction Engineering Group was contracted to build it (People’s Daily 2004/11/03).

What is more, China’s ‘One China’ principle may be referred to as a *political condition*. Indeed, Rowling (2007: 1) calls it “a conditionality of another kind”, and China refers to it as “the *political foundation* for the establishment and development of China’s relations with African countries” (China 2006: 1, Italics added). Certainly, China is expecting Tanzania’s adherence to the principle. For instance, at every high level meeting between the two countries, the Tanzanian leaders have reassured their loyalty to the principle, as did President Kikwete in 2006 when he declared that “Tanzania expressed its opposition to ‘Taiwan independence’, the creation of ‘two Chinas’ or ‘one China, one Taiwan’ as well as Taiwan’s efforts to accede to any regional or international organizations for which statehood is required” (Xinhua 2006/06/23). Also, in 2005 Tanzania supported China’s anti-secession law which reads; “Taiwan is part of China. The state shall never allow the ‘Taiwan independence’ secessionist forces to make Taiwan secede from China under any name or by any means” (People’s Daily 2005/03/14). Yet, I argue that not so much a political condition, the ‘One China’ principle appears as more of a mutually convenient *concord*. First, Davies (2006) observes that China also channels aid to countries that does not recognise the ‘One China’ principle. Second, it is presented more so as an expected adherence than as a political condition upon which the decision to disburse aid or not, rests.

**Preliminary Comparative Observations**

To state the obvious; neither Nordic nor Chinese aid is unconditional. Whereas Nordic aid is conditional (at least to some extent) upon political progress in Tanzania and the country’s
stated willingness to reform politically or economically, Chinese aid is still extensively tied to procurement of Chinese goods and services, to purpose and contractual terms. With that, we can present two central differences between Nordic and Chinese aid: the politically conditional Nordic aid vs. the politically unconditional Chinese aid and, and the un-tied Nordic grants vs. tied Chinese loans.\textsuperscript{16} In other words – the Nordic countries are \textit{expecting} a Tanzanian commitment to fight corruption, to promote human rights and democracy etc. (that is, political and economic reform), while China is \textit{expecting} double tying or even triple tying of aid (that is, mutual benefit).

It is recognised that the tying of aid to procurement is a form of condition that favours self-interest (see for instance Davies 2007; Carlsson et al. 1997; Selbervik 2006b). Following this, one may claim that Chinese aid appears more motivated by self-interest than Nordic aid. Certainly, state-owned Chinese companies have made good profit of Chinese aid projects in Tanzania. Several of the firms that participated in the construction of the Tanzam Railway for instance, including China Complete Plant Import and Export Corporation and China Civil Engineering and Construction Corporation, are today among China’s largest companies and have bid successfully on dozens of profitable infrastructure projects in Africa (Bräutigam 2007).

\textit{The extra cost to} the recipient is often mentioned with reference to tied aid. For instance, we saw that Danish tied aid implied missed opportunities for local firms to use aid money to provide employment and develop local capacity. Furthermore, it is also claimed that tied aid fails to benefit the poor. Davies (2006) indicates that DAC tied aid often increases the cost of aid for the recipient by 15 to 40 percent. Yet, she does assert that this is not necessarily the case with Chinese aid, in fact, there is evidence to show that Chinese companies have at times contributed to the lowering of costs. Also, the Chinese companies operating in Tanzania make extensive use of local personnel (in the 80-95 percent range, according to the CCS report, 2006: 58). However, the Chinese companies do not perform well on labour standards: In January 2005 a study conducted by the ILO found that of the 11 large construction sites in Tanzania, three of the four sites with the lowest standards were operated by Chinese companies, and the report concluded that Chinese companies had “exceptionally low

\textsuperscript{16} Certainly, the Nordic countries are by no means the most active users of political conditionality. Yet, the central point is that compared to Chinese aid, Nordic countries are expecting a Tanzanian commitment to political and economic reform.
standards, with long working hours, low pay, low standards occupational safety and health and a poor record on worker’s rights” (in CCS 2006: 59). This, I argue, certainly impose a distortion on Tanzania.

Donor Harmonisation

Nordic Harmonisation

As we have seen, in Tanzania the Nordic countries have acted as a homogenous sub-group in several instances. Examples include the joint Nordic projects, the joint support of Tanzania’s ‘home-grown’ structural adjustment programmes during the early years of the 1980s, and the Nordic-Tanzanian high level meetings. As of today, Selbervik (2006b) observes that the Nordic countries no longer function as a useful donor sub-group in Tanzania. Rather it seems that coordination has expanded to include a wider section of development partners in a concerted effort towards enhanced harmonisation. In fact, Tanzania is one of the countries where harmonisation between donors and alignment with the country’s priorities has come the farthest, Selbervik (2006b) argues.17

Already in the 1990s, the Nordic countries (especially the Scandinavian countries) produced several white papers advocating a greater degree of harmonisation between the donor countries. For instance, the Norwegian-Tanzanian MoU of 1994 noted the need in future negotiations for; “care to be taken to facilitate the co-ordination of Norwegian assistance with that of other donors” (ECON 1999). Yet, it was the Danish-initiated Helleiner Report published in 1995 that would really boost donor coordination in Tanzania. The report stated that “there is an immediate need to harmonise procedures” and set out 21 recommendations to improve on the relationship between Tanzania and the donor countries, to better coordinate aid effort, and to make aid more efficient. Tanzania and the Development Partners (DPs) adopted the recommendations and thereby committed themselves to take action towards enhanced cooperation and harmonisation (1995: 30).18 This agreement, it is claimed “set in motion a process of redefining the relationship between the Government and its Development

17 Similar observation are made by Wohgemuth (2006); Elikana & Mapunjo (2004).
18 ‘The Development Partners’ is a collective term of the donor countries that are members in Tanzania’s Development Partners Group (DPG) established in 2004 (DPG 2006/12/08).
Partners and the management of aid on the basis of principles of national ownership, government leadership, harmonisation and alignment (Tanzania 2006: 3). Indeed, five years later, in 2002, the Independent Monitoring Group found that “[since 1995], major improvements have occurred. Indeed, we think the present state of GoT-donor relations is matched in only a few others of the aid-dependent states in Africa” (2002: 6). Central improvements included more consultative meetings between the donor countries and the GoT, a re-organisation of duplicative processes, and a reduction in number of missions (2002). All four Nordic countries have been active promoters of the harmonisation process in Tanzania and were quick to embrace the TAS/JAST process of the 2000s. As of today, they are all in a process of replacing individual country programmes with the JAST. Furthermore, they are all members of the Development Partners Group, established in 2003 to replace the more informal donor meetings. According to Selbervik (2006b: 49), “informants at the Nordic embassies view DPG as a very useful forum for discussion and donor co-ordination.”

Yet, while the Nordic countries appear as closely aligned on harmonisation, Denmark and especially Finland have been slower to move on new initiatives (such as for instance the provision of aid as GBS) than Norway and Sweden, Selbervik (2006b) comments. Also, an observation by L. Wohlgemuth (in Bistandsaktuelt 07/2007) serves to illustrate that a central challenge remains – to harmonise responses.

I recently visited Tanzania with a group of students. We witnessed an active collaboration among the donor countries. However, the interpretation of what is happening differs greatly. Denmark cut considerably down on its GBS as they were not pleased with the anti-corruption work in Tanzania. Sweden reduced their support because they were disenchanted with the efforts in the field of energy and the EU cut down because they were not satisfied with educational effort. So, in spite of talk of harmonisation – all have their own perceptions and requirements.

Indeed, the examples of Finland and Denmark’s ‘variable tranche’ response in Tanzania also do illustrate that thus far, the donor countries do not speak with one voice. Yet, the central point to be made is that compared to China, the Nordic countries are expressing a clear commitment to harmonisation in Tanzania.

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19 The Independent Monitoring Group was set up in 2002 in response to the independent monitoring process of the Helleiner Reports during the 1990s and 2000s.
**Chinese Harmonisation**

A central reason for the increased attention to Chinese involvement with Africa (besides the fact that China’s engagement is growing so rapidly) is the perceived uniqueness of Chinese aid. Indeed, as we have seen already Chinese aid is characterised by *continuity*, and has not followed the overall shifts in development assistance. That is, while the international donor community has moved towards programme aid that is embracing various sectors, levels and aspects of Tanzania’s society, China persistently provides aid as project support targeting infrastructure, agriculture, and health. It should come as no surprise then that the Chinese Government has given little emphasis on harmonising aid practices with the international donor community. In fact, with regards to Tanzania, I find *no indications* of Chinese aid practices and international donor practices approaching and no stated commitment by the Chinese leadership of aligning their systems and priorities with the DPs. China is not members of the DPG, they have not signed the MoU between GoT and the development partners, and they do not participate at consultative donor meetings or take any part in the JAST process (Janssen 2008, [interview]). While China has signed up to the Paris Declaration (and has as such committed itself to cooperate with other donors so as to increase the harmonisation of aid), it has been claimed that China probably signed up in its capacity as a recipient, more than as a donor (Davies 2007).

Hence, while China has pledged to continue to support and cooperate with the African Union and NEPAD (New Partnership of African Development) of which one of their central objectives is to coordinate and intensify cooperation for development in Africa (see FOCAC 2006; China 2006); channel aid funds through the African Development Bank; and despite the Chinese scholar H. Wenping’s observations that the NEPAD and FOCAC in many instances share development goals (2007) – the overall impression remains: China makes *little concrete effort* to harmonise its aid practices with other countries in Tanzania.

**Preliminary Comparative Observations**

It appears clear by now is that ever since its inception in the 1960s, Chinese aid management have worked by its own dynamism – procedures, mechanisms, implementations, funding, monitoring and evaluating have evolved (or rather been standing still) relatively unaffected by international trends. In fact, their aid strategy appears relatively uncompromising. Considering China’s declared distance to that of Western aid, it does not seem likely that China will make
any significant commitment to harmonise in the near future. It appears so that for China it has been more important to express its unity with the developing world. Indeed, this makes yet another cleavage between Nordic and Chinese aid; North-South Cooperation vs. South-South Cooperation.

As seen in China’s African policy, Sino-African cooperation is clearly described, contextualised and indeed also rationalised within the framework of South-South cooperation. It seems that by emphasising the common denominator of underdevelopment, China is justifying its quest for cooperation with Tanzania, where aid or rather development cooperation, is one tool to utilise and develop the complementarities of the developing countries. Also, when aid is denominated as cooperation between equals, it seems that Chinese aid is understood and rationalised as cooperation outside the development realm of Western aid. In view of that, I find it plausible that China’s ‘South-South logic’ serves to acquit it from GoT’s expectations, that is, the GoT is not expecting China to partake in the JAST process or make any efforts to harmonise because Chinese aid is not understood on the same terms as North-South, Western aid.

Recipient-Orientation

Nordic Recipient-Orientation

As we have seen, the Nordic countries have been keen promoters of the JAST process in Tanzania, leading Selbervik (2006b) to conclude that they are to a large extent trying to align with the priorities of the GoT. The stated aims of the JAST are: “to replace individual country assistance strategies” (Tanzania 2005:1); sectoral concentration; that the donor’s priorities concur with the MKUKUTA (that is, that assistance is provided with the three clusters and the cross-cutting issues), with GBS as the preferred modality. According to Selbervik (2006b), the Nordic countries are among the most radical donors in terms of adjusting their policies to the new aid regime.

First of all, as mentioned, all four countries explicitly state their adherence to the JAST process. For instance, Finland and Norway have no longer individual country strategies while Sweden’s country strategy of 2006-2010 reads that “Swedish assistance is to be based on the
Millennium Development Goals (MDGs) and the NSGRP, and implementation is to comply with the principles of the Paris Declaration and the Tanzanian Joint Assistance Strategy (JAST)” (p. 8), while Denmark pledges that “from 2007, Denmark’s development assistance to Tanzania will be provided as an integral part of a Joint Assistance Strategy shared by all donors in Tanzania (Denmark 2007: 4).

Second, all countries have pledged to increase the amount of aid as GBS. According to Selbervik (2006b), it is Sweden and Norway that have been the most active promoters of GBS. In Sweden’s strategy paper (2006), it is declared that the aim is for GBS to account for 50–70 percent of the country allocation towards the end of the strategy period (compared to 20 per cent in 2006). Norway has a three-year agreement with Tanzania from 2006 to 2008, of which it has pledged to provide a total of NOK 540 million over the three year period or NOK 170 million annually as GBS (Norway 2007). Denmark pledges to provide 25 percent of total aid as GBS, and Finland has on an average allocated 10-15 percent as GBS (Selbervik 2006b). By definition, providing aid as GBS implies that funds are being channelled to the partner government’s national treasury, and thereafter managed in accordance with the partner’s own procedures; hence we may say that the Nordic countries are utilising Tanzania’s national public systems.

Third, all four countries are concentrating on fewer sectors. Sweden for instance, which has been involved in a wide range of sectors, suggests a reduction of which “the actual choice of sectors should primarily be determined by the role Sweden plays in relation both to Tanzania and to the other donors operating in the various sectors, and by Tanzania’s own wishes, as consistently good outcomes have been noted at sectoral level” (Sweden 2006: 6). Accordingly, Swedish assistance will be concentrated to 3-5 sectors “as defined by the Tanzanian JAST and this strategy” (2006: 10). Denmark has decided to phase out its support to construction and maintenance of roads and to agricultural development, which allegedly is due to “the agreement between the donors about a more clear-cut division of labour” (2007: 4). Norway pledges to ”continue to seek Tanzania’s guidance in the selection of sectors for cooperation, both in line with the JAST and in order to contribute to an efficient distribution of labour among Tanzania’s development partners” (2007: 2), while Finland provides the most concentrated assistance (to only four sectors) stating that “there are less [of] individual projects and Finland’s support is directed to programmes established by the Government of
Tanzania, with funding through joint donor financed sector programmes and budget support” (Finland 2008).

Hence, it appears that the Nordic countries are responding to the priorities of Tanzania and that their development assistance as such is recipient-oriented. Yet, Nordic aid practice is also influenced by the condition that the Nordic countries will concentrate on sectors of competence and interest. Indeed, when asked what would happen if Tanzania, through the JAST demands that Norway engages in other sectors than those in which they currently operate, the Norwegian Ambassador replied: “...that would be an interesting discussion”, (quoted in Selbervik 2006b: 59). Also, a SIDA representative commented that it would be “…interesting to see what would happen if Sweden was no longer welcome in the energy sector” (Selbervik 2006b: 59).

Chinese Recipient-Orientation
At several occasions, Chinese leaders have emphasised that Chinese aid is provided at the response to Tanzania’s needs. For instance in 2006, Premier Wen Jiabao declared that; “the Chinese side will focus on agriculture, irrigation and infrastructure development in its economic and technological cooperation with Tanzania, so as to meet the needs of the Tanzanian side” (Xinhua 2006/06/24, Italics added). Indeed, the provision of infrastructure is considered by Tanzania as a significantly important. For instance, the MKUKUTA reads: In recognition of the need to improve the economic prospects of the productive sectors and social services, there is need to improve provision of physical infrastructure” (2005: 8). Yet, China’s provision of infrastructure is not unique to the Tanzanian case, nor is the provision of Chinese aid as agriculture assistance or health cooperation for that matter. Hence, it seems proper to ask whether China responds to the needs of the recipient-country, or whether they provide assistance within the areas of which they are particularly competent. Furthermore, while the MKUKUTA identifies three main sectors of improvement – growth, improvement of quality of life and social well-being, and governance and accountability, Chinese aid is limited to cluster I and II, with no assistance provided to governance and accountability, and GBS is indeed not mentioned by the Chinese. As such, recipient-oriented does not seem a proper characteristic of Chinese aid to Tanzania.
Preliminary Comparative Observations

The Nordic countries do seemingly strive for recipient-oriented aid. Indeed, with regards to Tanzania, the Nordic countries declaredly commit themselves to provide aid in accordance with GoT priorities. However, while the Nordic countries are concentrating on fewer sectors in Tanzania and are provided more and more aid as GBS, this may be just as much a response to the general recognition of the need to concentrate on fewer sectors to increase on aid efficiency, and the need to channel aid as GBS to increase on harmonisation and to enhance domestic accountability, than a response to the GoT’s stated preferences. Also, Nordic aid policy and budgets still remains predominantly donor-determined.  

Hence, it does not seem proper to speak of any ‘cleavage’ between Nordic and Chinese assistance with regards to recipient-orientation. Yet, it seems that the commitment to align with Tanzania’s priorities is more evident in Nordic aid practices.

Broadening the Perspective: Trade-Related Cooperation

Nordic-Tanzanian Trade Cooperation

The Nordic countries economic interests in Tanzania are small, that is, Tanzania’s share in Nordic trade is negligible. For Norway in 2007, export to Tanzania constituted only 0.02 percent of total export, only 120 million NOK – much less than Norwegian aid to Tanzania. This holds for the other Nordic countries, and indeed the whole of EU, as well. For instance, Tanzania’s share in EU trade in 2005 accounted for only 0.05 percent of exports and 0.03 percent of imports (Siebold 2006: 6). However, the EU is Tanzania’s main trading partner. For the Nordic countries too, Tanzanian import is multiple compared to Nordic import. Nordic export to Tanzania consists mainly of machinery, electrical equipment, telecommunications, and chemical goods, that is, value-added processed goods, while Tanzanian export to the Nordic countries consists of coffee, tobacco, tea and spices, that is, unprocessed goods – which seemingly explains, at least partly, the biased trade relations (Siebold 2006).

20 What is more, and seemingly in line with the dependency tradition, one may claim that the resource asymmetry between the Nordic countries and Tanzania compels Tanzania to bargain from a position of weakness that prompts the Nordic countries to take the lead in aid management, with the consequence that the priorities too are donor-determined (Carlsson et al. 1997).
Sino-Tanzanian Trade Cooperation

Sino-Tanzanian trade relations trade back to 1964 when China established diplomatic relations with the country, and the first Trade Agreement between the two countries was signed in February 1965 with subsequent agreements in 1984 (The Barter Trade Protocol), 1985 (Agreement on the Establishment of a Joint Economic and Trade Commission), and 1996 and 1997 (Framework Agreement for the Provision of an Interest-Subsidized Preferential Credit by China to Tanzania). According to a CCS report (2006: 51), “trade volumes have seen extraordinary growth since 1965”, especially so the last few years: “Between 2000 and 2005, bilateral trade between the two countries increased by 524 percent to reach over US$475 million”, and reached a reportedly US$795 million in 2007 (AllAfrica 2008/04/21). Also, during the Beijing Summit in 2006, China pledged to provide Tanzania Special Preferential Tariff Treatment allowing for 440 products to enter China duty- and quota free (Tanzania 2008). However, compared to other oil-producing African states, Sino-Tanzanian trade remains modest. For instance, Sino-Sudanese trade in 2005 amounted to a total of US$3.9 million – more than eight times the volume of Sino-Tanzanian trade (Afrol News 2007/11/03), while Sino-African trade was more than 80 times greater. As with the Nordic countries, China enjoys a significant trade surplus with Tanzania; in 2005, exports totalled US$303.81 while imports reached US$170.93 (CCS 2006: 53). The Sino-Tanzanian trade pattern also correlates with that of the Nordic countries; China’s exports to Tanzania are foodstuffs, vehicles, light industrial products, chemical products, mechanical equipment, electric appliances, textiles and steel, while Tanzania’s exports to China include cotton, tobacco, iron and copper ore, seafood, raw leather and – timber.

Timber constitutes the fastest growing commodity in Sino-Tanzanian trade relations. China is Tanzania’s fastest growing importer of timber, and Tanzania is Africa’s sixth largest timber exporter to China. Consequently, in a few years, Tanzania’s timber export market has increased by almost 1,400 percent in value (Milledge et al. 2007: 9). In fact, between July 2005 and January 2006, China reportedly accounted for all indigenous hardwood logs and three-quarters of sawn wood and raw material exported and around 50-66 percent of containers containing timber products from the port of Dar es Salaam were destined for China (Milledge et al. 2007: 62). What is more, Milledge (2007: 26) finds that “considerable quantities” of this timber originate from illegal logging; it does not appear in official statistics and implies a loss in export revenue for Tanzania. In fact, by comparing Chinese and
Tanzanian statistics, it is found that China imported ten times more timber from Tanzania than is documented by Tanzania’s export records, implying a 90 percent loss of revenue from this source. Besides bringing upon great losses of government revenues, illegal logging commonly damages the livelihoods of rural communities, and by nurturing corruption, “undermining governance structures at all levels”, Milledge (et al. 2007) claims. Commenting on the findings, Executive Director of TRAFFIC (The Wildlife Trade Monitoring Network) S. Board, declared:

It is a national tragedy. Income from a sustainably managed timber industry should be assisting national development and alleviating poverty, (...). We’re now in the situation where Tanzanian forestry sector is highly dependent upon donor funding despite having the clear potential to be self-sufficient from timber revenues” (WWF 2007/03/25, Italics added).

Preliminary Comparative Observations

Although rapidly increasing over the last years, Nordic-Tanzanian and Sino-Tanzanian trade remains relatively modest – especially in comparison to other African countries. While observers commonly assume that China gives aid today in Africa primarily to countries with natural resources that China needs for its rapid economic growth, the findings on Tanzania do not substantiate such a claim it seems. First, China was involved with Tanzania long before any ‘trade explosion’. Also, the most significant Chinese aid transfers occurred during the early years, when Sino-Tanzanian trade was modest. Third, the recent increase in Sino-Tanzanian trade does not appear to have significantly boosted Chinese aid to Tanzania.

As I mentioned, the EU trade with Tanzania has also been minimal. Yet, Tanzania is not only the Nordic countries’ and China’s main beneficiary of aid; it is a favoured recipient for the EU countries as well. Attempting to explain the dominant position of Tanzania in European aid, T. Siebold (2006) points to a longstanding tradition, historical links, Tanzania’s comparatively self-confident foreign policy vis-à-vis the US, political stability, and the open dialogue with the GoT as determinative factors. Considering China’s longstanding relations with Tanzania and persistent aid transfers throughout, Tanzania’s ambitious self-reliance strategy of the early years that prompted Chinese (and Nordic) involvement, and the comparatively modest trade between them, it seems plausible to argue that the Sino-Tanzanian relationship is rationalised more so with reference to history and politics than trade.
Yet, this does not imply that Chinese aid to Tanzania has not been influenced by economic interests. For instance, within infrastructure, which constitutes the dominant form of Chinese aid to Tanzania, as mentioned, several of the firms that have participated in the construction of significant aid projects are today ranked among China’s largest companies. These companies are well represented in Tanzania’s construction business; 14 of the 31 registered foreign construction companies in Tanzania are Chinese, currently engaged in US$500-600 million worth of construction projects (CCS 2006).

Timber trade is devoted special attention for several reasons. First, it constitutes the fastest growing commodity in Sino-Tanzanian trade. Second, China alone accounts for half of Tanzania’s timber export. Third, the timber sector is plagued with illegal logging. Finally, and what I find worthy of note, is Board’s (2007) observation that the timber industry that should be assisting national development is now highly dependent upon donor funding. Certainly, illegal logging imposes a distortion on Tanzania. In fact, according to Milledge (et al. 2007), it undermines governance structures at all levels.

Summing Up

Policy, History, Extent, Modalities, Sector Preferences, Conditions, Harmonisation, Recipient-Orientation and Trade – along all of these indicators major or minor discrepancies between Chinese and Nordic aid gain distinction. No wonder, one may say – they are determined by the interplay of different motives, different interests, different goals and different strategies. In the following chapter I provide a synthesised discussion of my findings, organized with reference to inter alia the rationale, objectives, means, behaviour, and determinative factors behind Chinese and Nordic foreign aid of which my main intention is to identify and elaborate upon the central differences in policy and practice between two of Tanzania’s ‘All-Weather Friends’.
7. Conclusions – Making Sense of Chinese and Nordic Aid

Of the seeming and real innovations which the modern age has introduced into the practice of foreign policy, none has proven more baffling to both understanding and action than foreign aid (Hans Morgenthau 1962: 301).

The theme of this thesis is China’s foreign aid activities in Africa – a field of study that (still) remains relatively unexplored. This comparative analysis of Chinese and Nordic aid covering central facets of development assistance should tell us something more of what China is doing in Africa, and point towards how China is moving in Africa. First of all, we have seen that given China’s reluctance to disclose aid figures, to issue aid policy documents and strategy papers, and to evaluate their aid effort, China’s foreign aid certainly fits with Morgenthau’s description as baffling. Indeed, it almost appears paradoxical: China is declaredly a developing country, yet provides aid; it allegedly builds on the values of mutual support, friendship, unity and trust, yet restricts on openness and transparency; it provides aid with no political strings attached, yet it is extensively tied to the purchase of Chinese goods and services; it is accelerating surely, yet it is not new; it is consistent, yet sporadic; it is more than a quest for resources, yet it appears highly instrumentalist and practical; and it is pragmatic and ideological at the same time. Also, it provides both opportunities and challenges for Tanzania – an observation that passes for Nordic aid too, yet the recurring finding remains: Chinese and Nordic aid diverges substantially.21 I will elaborate upon each of these in turn, but let us start with where they seemingly converge.

Aid Established: Rationale

As we have seen, both China and the Nordic countries have been involved with Tanzania for more than forty years, and they have provided extensive aid to the country. Hence, the relationships are deeply rooted in history and manifested in concrete outcomes. Also, we have seen that their first moves as donors in the country were induced by seemingly concurrent incentives – the newly independent Tanzania’s fierce position as non-aligned, yet dire need for political and economic support that could provide the country with a wider margin for action. And Tanzania greatly appreciated the support from its ‘All-Weather’ friends. Sustaining these cordial, fraternal relations has proved central to all parties since then; China is frequently referring to these longstanding, friendly bonds that allegedly “date back to 900 years ago”, the Nordic countries endeavour to comply with Tanzania’s requests, while

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21 See Appendix D for a schematic comparison of Chinese and Nordic aid.
Tanzania (compelled to modify its declared resistance to foreign aid) aims at consolidating a well-functioning aid relationship. Following this, the feeling of unity, common goals, interests and sympathies, that is solidarity, has in many ways served to rationalise the relationships. While China refers to the union of interests and purposes between two developing countries, that is, South-South solidarity; the Nordic nations give emphasis to the shared conviction that everyone has a right to a life in dignity, that is, international solidarity, and the unity between small states.

To start with Nordic aid, we have seen that in stated policy the humanitarian/solidarity rationale in many ways serves to explain, contextualise and formulate Nordic aid policy. First, Nordic aid is explained with reference to widespread poverty, which is considered inhuman, because ‘all human beings are equal in dignity and rights’, hence Nordic aid policy is predominantly poverty-oriented. Moreover, these pro-poor policies are informed by humanitarian considerations such as the respect for the resources, ways of life and strategies of the poor. Also, the prime mover behind Nordic aid is a humanitarian principle – solidarity with the underprivileged, which is reinforced by the recognition that equality and sustainable development is not an exclusively national concern, rather it is the concern of humanity. With recognition follows international responsibility. Accordingly, the Nordic countries assume responsibility for supporting and complementing national efforts in poor countries by providing development aid. Following this, it seems that the granting of aid by the Nordic countries is motivated by humanitarian considerations given a priori – the recognition of ‘universally’ accepted human rights. In other words, in stated policy Nordic aid is depicted as morally and altruistically motivated.

Certainly, having reviewed Nordic aid practices in Tanzania, there are several findings that may substantiate the claim of Nordic aid being predominantly altruistic. First, the Nordic generosity – the Nordic countries (especially Denmark, Norway and Sweden) have made considerable aid contributions to Tanzania, with Nordic aid at times constituting close to 50 percent of total ODA to the country – this, in spite of minimal economic interests in Tanzania. Second, the Nordic financial conditions have been far more generous than the DAC average. Their grant element has been exceptionally high, and the level of tied aid has on general, remained low, and is today minimal. Hence, Nordic aid to Tanzania is provided on increasingly favourable financial terms. Third, the Nordic persistency – the Nordic countries
were the only ones to uphold their aid level during the early years of the IMF negotiations, of which a presented explanation was, as mentioned, that the Nordic countries’ moral profile hindered them from reducing their aid as long as there was need. Finally, while disputable, one may say that a central reason as to why the Nordic countries are making aid conditional upon political commitment is because they feel it as their bounden duty to promote these rights in ‘less fortunate’ countries such as Tanzania.

However, as mentioned, the moral case for aid has been widely criticised, and one should be careful to state that the Nordic countries’ aid policies, or any other donor for that matter, are predominantly disinterested, and morally grounded. Rather, if we accept that Nordic aid is one element of foreign policy where the primary purpose is to pursue national interests, it follows that Nordic aid too is primarily self-interested. For instance, one may say that the Nordic countries have a strategic interest in extending the principles of the welfare state beyond the domestic borders so as to inter alia portray themselves as benefactors and charitable small states, or to safeguard international stability and peace. Acknowledging the ‘universality’ of self-interest as a driving power would certainly challenge the image of the Nordic countries (especially Scandinavia) as genuinely altruistic donors.

In any case, it proves easier to accept the centrality of the self-interested rationale in Chinese aid. Indeed, it is not so much my assumption as a stated principle of Chinese aid – it is not alms, but something mutual. The principle is made explicit in stated policy, it is corroborated at high level meetings between the Chinese and the Tanzanian leadership, and it is definitely noticeable in Chinese aid to the country. For instance, the first aid disbursements to the country served a particular political purpose – it provided China with an entry port into the revolutionary struggles of Africa. Furthermore, the Tanzam Railway certainly served to promote China’s political and economic interests. First, it eased Tanzania and Zambia’s dependence on the white-controlled countries in Africa – to curtail the colonizers’ margin was in China’s interest. Second, it served China well economically through enhanced trade between China and Africa and through the tying of aid to the purchase of Chinese goods and services.

Yet, China too holds claims of moral rectitude. First, in stated policy, the Sino-African relationship is declaredly founded on what may be referred to as moral principles – sincerity,
equality, peace etc. Second, the frank emphasis on mutual interest and non-interference is depicted as comparatively ‘better’ than established (read: Western policy-based) aid practice (cf. “the imposition of human rights conditions constitute a violation of human rights”, see page 54.) Third, the mutual character of Chinese aid is portrayed as a natural expression of South-South solidarity, that is, the unity of interests. Hence, the self-interested rationale appears as legitimate and inevitable – one could almost say given \textit{a priori}.

In summation, whereas China moves on South-South solidarity rationalised by mutual interests, the Nordic countries move on international solidarity rationalised by responsibility and conscientiousness. Hence, both China and the Nordic countries seek to present themselves as benevolent donors (China as a ‘responsible superpower’, the Nordic countries as ‘charitable, responsible small states’) that act in the recipient’s best interest (and their own).

\textit{Means and Behaviour}

The image often conveyed in research articles on ‘China in Africa’ is of Chinese engagement as something new and embryonic. Yet, we have seen with regard to Tanzania, that Chinese assistance is not new, nor is it rapidly changing, and China is not (yet) boosting its aid to the country. Arguably, when Selbervik (2006b) claims that “continuity is the salient feature of Nordic aid programmes”, this holds more truth for Chinese aid – compared to Nordic aid practices in Tanzania, Chinese aid is characterised by a seemingly \textit{uncompromising consistency}.

First, China does not budge from its stated principles. The Eight Principles from 1964 (emphasising the mutuality of aid, in respect of the recipient, provided as interest-free, non-conditional loans, for income-generating projects with Chinese equipment and material) are still valid; they are frequently referred to and incorporated into China’s African policy of 2006.

Second, and in relation to the former, while Nordic aid has followed the general shifts in aid flows, aid modalities, aid conditions and sector preferences, China’s invariable aid preferences certainly bear no witness of change. Why not? The answers are many indeed: First, as seen, China expresses \textit{confidence} in its historic and geo-strategic position as an
important actor on the world stage. Second, despite policy reforms of economic liberalisation and political transformation, the country remains ‘loyal’ to socialism and planned economy and refutes Western notions of political liberalisation and capitalism. Indeed, China has all throughout expressed, explicitly and implicitly, its distance to that of the Western aid regime. The Tanzam Railway for instance, was financed much to illustrate the capacity of Chinese aid. The strong emphasis on South-South unity and the common historical heritage of foreign (read: Western) oppression is yet another way of implicitly expressing a distance to that of the North-South aid relationship. Third, one may say that there are so many vested interests in the Chinese aid that the system is hard (or undesirable) to change. Yet, this could certainly apply to Nordic aid as well. Rather, I would attach more explanatory weight to a central characteristic of Chinese aid – it is practical and spontaneous. That is, it is practical in the sense that, adding zest to it; China has found its formula of aid, and sticks to it. And it is spontaneous in the sense that compared to Nordic aid; it refrains from any concerted, long-standing, multilateral effort to improve on development aid. The reasons regardless, China’s uncompromising continuity is seen nowhere more clearly than in China’s unchangeable position of non-interference and politically ‘un-conditional’ aid.

China does not yield with regards to political conditions on aid. This is seen clearly both in stated policy and in practice. While warmly welcomed in Tanzania, it is the ‘centre of gravity’ in much of the debate on Chinese aid to Africa. Daring to indicate a few implications, I argue that the unconditional Chinese aid seemingly avoids the asymmetry that has plagued North-South aid. Indeed, the IMG report of 2002 observed that a serious challenge to the donor/recipient relationship in Tanzania is the current imbalance of power, “the Tanzanian familiarity of being told what to do.” Certainly, as such, Chinese aid to Tanzania appears as frictionless and effective. Yet, I do not say that the Sino-Tanzanian relationship is necessarily more equal. It seems that with reference to recipient-orientation, or the lack of it, China is setting the scene: China provides aid to own sectors of competence and to projects of own choice, and with own set procurement conditions. Furthermore, whereas Nordic aid is predominantly un-tied, grant-based, and has moved towards complete un-tying, Chinese aid is, and has always been tied loans to the purchase of Chinese commodities and services. The tying of aid may be the clearest substantiation of Chinese aid as self-interested – it has certainly served China well.
We have yet to explain why Nordic aid, in contrast to Chinese aid, has evolved. A central reason it seems, is that Nordic aid, more so than Chinese aid, is influenced by international trends. In stated policy, the Nordic countries are eager to express adherence to a multilateral strategy towards poverty reduction, and to harmonise with other donors. In Tanzania, we have seen that Nordic aid has followed the shifts in aid modalities, the aid flow variations, and while somewhat reluctantly at first, all four countries have imposed on Tanzania political conditions, that is, the ‘second generation of conditionality’. As such, we have seen that all four countries profess to the good governance agenda where the promotion of human rights, democracy and good governance are considered preconditions for development. Also, in Tanzania, Nordic aid gives priority to anti-corruption, organisational and institutional reforms to enhance on public financial management, and local government reforms, that is, governance and accountability.

Speaking of development theories – while I do allege that Chinese aid is best understood by its own dynamics, and less in the context of the established (Western) development regime, there are indeed similarities between Chinese aid practice and central tenets of modernisation theory. First, whereas Nordic aid is targeting a wider range of sectors, Chinese aid is provided as financial and technical assistance for the development of physical infrastructure. Second, we saw that in the early years, development and development assistance was treated largely as an economic matter. Surely, in contrast to Nordic aid, Chinese policy makes no reference to either poverty reduction, or rights promotion – that is, equity. Rather, stated goals include mutual benefit, common development and joint prosperity – that is, growth, while in practice little emphasis is given to prepare projects that will directly target the poor. When the Nordic countries emphasise the need to accelerate growth to achieve development, they are seemingly advocating more of a holistic approach to growth that incorporates measures of good distribution, good governance, well-functioning health and education systems, and sound management of natural resources. In practice, the gradual shift away from the fragmented project approach to a wider programme approach in Tanzania seems to bear witness of a more integrated approach to development and growth. In sum, whereas China is focusing exclusively on means to promote growth – that is, investment in infrastructure and productivity, it seems that the Nordic countries venture at protecting vulnerable groups from the negative effects of growth. What is more, whereas China professes to a centralised system of government with the state as the development promoter (seen with regard to the state-
owned construction companies for instance), the Nordic countries on the other hand, aims at decentralising power and improving on the local government’s ability to deliver public service, relating as such to the state as a development problem. A disputed observation perhaps, yet Sweden’s statement in the strategy paper of 2006 certainly serves to substantiate such a claim: “low administrative capacity and the local government’s disability to deliver services are being hampered by Tanzania’s centralised system of government”, (p. 11, Italics added). Indeed, all four Nordic countries are extensively involved with the Local Government Reform that inter alia seeks to strengthen the local financial management capacity, local ownership and accountability.

In conclusion, the comparative analysis adds up to the following (indeed abridged and caricatured, yet isn’t that how we remember?): Nordic aid aspires to be Poverty-Oriented, Principled and Persistent, whereas Chinese aid ventures at being Practical, Pragmatic, and Peaceful. Nordic aid practice in Tanzania is evolving; it is politically conditional; predominantly grants-based; un-tied; poverty-oriented; influenced by international trends; advocating an equitable and integrated development strategy. Chinese aid practice in Tanzania is consistent; it is politically un-conditional; sporadic; predominantly loans-based; tied; growth-oriented; determined mainly by own experience and philosophy; advocating a centralist, mercantilist development strategy, where aid is but one integrated element of China’s Africa strategy.

In search of the Chinese Aid Identity in Tanzania

In 1999, analysing Chinese aid to Tanzania between 1965 and 1995, A. Ping found that Chinese aid practices were approaching Western aid practice. Yet, I do allege that while Chinese and Western (Nordic) aid may have been approaching on some accounts (China is for instance providing aid as concessional loans), the overall impression remains: Chinese and Nordic aid are poles apart. Most importantly, Chinese aid has evolved without the influence of inter-governmental bodies that coordinate aid from Western countries. Indeed, if not un-coordinated, Chinese aid appears somewhat sporadic. Yet, at the same time it is held to be highly strategic and calculated. Following this, I agree with Kim (1989) that “Chinese foreign policy behaviour seems to be in such a state of ambiguous motion that one can never fully understand what makes it tick.” By accepting Chinese aid as a function of a select allocation
of resources, the ‘soft power’ framework may serve to explain Chinese aid behaviour more properly. Certainly, on many accounts Chinese aid appears as a ‘soft power instrument’.

First of all, Chinese aid to Tanzania is used specifically to gain influence. For instance, it was extensive aid contributions to Tanzania that provided China with an entry port into the revolutionary struggles in Africa. Already in 1975, Yu found that China relied almost exclusively on attractive power, that is, aid and the appeal of the Chinese development model, in its relations with Tanzania. Also, Chinese aid to Tanzania has certainly served to demonstrate the appeal of the Chinese economic model. Through state-led, centralist planning, assistance is provided to high-profile infrastructure and communication projects where ‘each project well done adds glory to [China]’. That is, the projects materialise China’s presence in the country, and serve to illustrate its competencies – working power, cheap technology and competitive construction companies.

Second, ‘soft power’ concerns ideology – it is concerned with or suggestive to ideas; and pragmatism, that is, the instrumental use of a country’s assets to gain influence. Chinese aid certainly appears as both ideological and pragmatic. It is ideological because it is founded on distinct ideas and values (non-interference, equality, mutuality); because it offsets itself against Western aid; because it implies a distinct model of development (centralist, top-down). And it is pragmatic and practical because aid serves as an instrument to meet set goals, such as building business and cementing political ties, and enhancing its image abroad as a responsible power.

Third, through aid China has exposed Tanzania to facets of Chinese culture, for instance by providing scholarships to Tanzanians at Chinese universities, or by sending Chinese doctors to practice traditional Chinese medicine.

Finally, China’s appeal to the developing world rests on portraying China’s potential as an investor, Kurlantzick (2007) states. Undeniably, Sino-Tanzanian trade and investment have grown rapidly in recent years. Yet, I argue, the Chinese involvement in Tanzania is more than a quest for resources. While trade has, as we have seen, been central to the Sino-Tanzanian relationship since the 1960s, the extensive Chinese assistance goes ahead of the recent accelerated trade volume. Also, whereas Tanzania does possess a commodity of interest to
China – timber, compared to other oil-producing African states, Sino-Tanzanian trade is still moderate. The ‘soft power’ approach nonetheless provides a useful framework for making sense of Chinese aid to Tanzania.

The Chinese development model values mutuality, consensus decision-making, peaceful co-existence and non-interference. These are underlying the formulation and implementation of Chinese aid, and comprise as such an identity, moulded from national characteristics that China presents to Tanzania. As such, the Chinese Aid Identity appears as relatively straightforward. Yet, at the same time, it appears ambiguous, and even more so, difficult to forecast.

Implications of Chinese Aid

At the Beijing Summit of 2006, President Hu Jintao declared that China and Africa were entering into a new type of strategic partnership between China and Africa “featuring political equality and mutual trust, economic win-win cooperation and cultural exchanges.” Certainly, with regards to scope and intensity, the partnership is new. In fact, I argue, it is too short-lived to see the full-range effects of it. As long as China restricts on publishing long-term strategy plans it will prove difficult to prognosticate how China will move in Tanzania. As for now, there a no indications of China deviating from its ‘aid formula’ or boosting aid to Tanzania, hence, given China’s appetite for raw material, especially timber, I do predict that trade more so than aid will determine the course of the Sino-Tanzanian relationship.

Furthermore, while Chinese aid may have proved developmental to Tanzania (for instance, during the 1980s the Chinese-funded Ubongo Farm Implements Factory provided 85 percent of the hand tools needed in the country, while the Mbarali Farm supplied Tanzania with a fourth of rice demanded, Ping 1999), neither Chinese aid (nor Nordic aid) has served to ‘boost’ development in Tanzania. Despite positive indications of recent years, Tanzania remains a developing country by most measures, and is likely to remain one in the years to follow (despite substantial inflows of Chinese and Western aid).

Still, Chinese aid certainly does provide opportunities for Tanzania (and Africa), mostly, I argue, by virtue of movement, that is, South-South. As mentioned, China and Tanzania share common conditions and problems of underdevelopment, and have as such a common interest
in improving their position that provides *basis for synergy*. Also, the remarkable growth in Chinese economy of recent years may prove beneficial (and indeed already have) to Tanzanian export. What is more, we have seen that Chinese companies may contribute to a lowering of cost of infrastructure development which is, as seen, given priority in Tanzania’s national strategy.

Yet, central challenges remain: *Poor working standards* in Chinese construction companies, and illegal logging and the *corruption* that follows in the wake of this. Both examples certainly impose distortions on Tanzania and may as such impede on Tanzania’s development. First, with regard to the “exceptionally low [working standards] with long working hours, low pay, low standards occupational safety and health and a poor record on worker’s rights” (CCS 2006: 59) among China’s most central aid actors in Tanzania – the construction companies, it seems that more regulatory measures to safeguard workers’ rights are needed.

Second, corruption in the timber sector – a sector that ‘should be assisting national development’, has certainly impeded on value appreciation, and has, allegedly, made the sector ‘highly dependent upon donor funding.’ And corruption may in turn undermine governance structures. Indeed, it is episodes like these that give rise to the (Western) concern for Chinese involvement with Africa. Accordingly, it comprises a central challenge not only to Tanzania, but also to China if it aspires to bring credibility with the image of a responsible, peaceful power.

We stated earlier that in Tanzania, there is a lack of political constituency to demand accountability of aid resources. (This seemingly relates to timber revenue as well). Indeed, for decades, Tanzania has been plagued by corruption scandals. Only a few weeks ago, it was found that 150 million NOK worth of Norwegian aid had ‘disappeared’, while on May 5th this year Aftenposten reported that a branch company of Norconsult (a Norwegian company performing infrastructure, water and energy projects in Tanzania) is involved with bribery. Surely, the problem of corruption is not unique to Chinese aid, and strengthening the financial management system in Tanzania (with or without donor funding) must be given high priority.
Adding to this, we have seen that Chinese aid is extensively tied to Chinese goods and services. We have also seen that tied aid is accused of imposing distortions on recipient countries and of not benefitting the poor. Yet, this criticism applies to Western aid as well: 80 percent of US grants, 90 percent of Italian aid, 60-65 percent of Canadian aid are tied to donor’s goods and services (Sautman 2005). Accordingly, effective measures and binding initiatives to reduce on both Chinese and Western procurement conditions seem necessary.

Chinese aid certainly challenges established aid practice: it is comparatively different and, by virtue of its non-conditional, favourable terms, it appears appealing. While Chinese aid remains comparatively small in volume, Chinese aid will, in all probability continue to grow and hence, make a clearer mark on Tanzania’s path towards development. The concerted effort towards donor/recipient coordination and aid alignment in Tanzania of recent years (that is, the JAST process) is essential in order to improve on the efficiency and accountability of aid. To incorporate China in this process should be given priority. Triangular dialogue between the DPs, China and Tanzania may serve to enhance on responsibility in development financing, increase on aid predictability and effectiveness, and may extend on donor coordination athwart North-South and South-South lines. As mentioned, FOCAC provides a platform of communication between Africa and China. To set issues of aid sustainability and aid harmonisation on the FOCAC agenda is to be desired. Indeed, coordination and cooperation that extends beyond North-South aid seem important if aid is to lay the foundation for its future rejection.

Tanzania and China are friends with interests. Whether the friendship will prove ‘mutually beneficial’ depends on Tanzania’s ability to utilise its bargaining power in aid negotiations with China and to demand accountability and responsibility in development financing. In the words of D. Kaberuka, President of the African Development Bank:

*Of course they (the Chinese) have their mercantile interest. That is normal. You can’t blame them. My take on this is that it is Africa and Africans who should try to define and influence the relationship. It is not the Chinese. It is Africans who should define what they want to get from this relationship.*

It shall indeed be interesting to follow the next moves of the fast-growing, resource-hungry China on the African continent. Definitely, Sino-African trade will not stop at US$100 billion, or Chinese aid at US$2; China will continue to strengthen its presence on the continent. Whether Chinese involvement will promote or impinge on African development remains to be
seen. Yet, I do predict that Africa’s ‘new supporter’ could have an *unprecedented* impact on the continent.
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Appendices

Appendix A. Sample of ‘aid announcement’, China Daily, Beijing, July 18, 2001

China agrees to cancel part of Tanzania's debt

China Tuesday agreed to cancel part of the debt owed by Tanzania "with a view to supporting Tanzania to develop its national economy and reduce its debt burden."

According to agreements signed by two sides, the Chinese government agreed to exempt Tanzania from the obligations of paying back of 15 batches of interest-free loans which had matured by December 31, 1999 with a total amount of 289.208 million Yuan, US$19.2 million and 1.275 million pound sterling.

The debt relief accounts for one third of the total Tanzania's debt owed to China.

The agreements were signed in Dar es Salaam Tuesday on behalf of their respective governments by He Xiaowei, the visiting Chinese Assistant Minister for Foreign Trade and Economic Cooperation, and Tanzanian Finance Minister Basil Mramba.

China also agreed to overwrite two batches of interest-free loans of Zanzibar, amounting to 35.28 million Yuan.

Besides debt cancellation, China also pledged to provide gratis assistance of 30 million Yuan to Tanzania to supplement the deficient construction expenses for the Chalinze Water Supply Project in eastern Tanzania so as to speed up availability of clean and safe water supply to the population in the area.

"This is a great event of the economic and technical cooperation between China and Tanzania in the new millennium, and a sign of further development of the excellent relationship between China and Tanzania," the Chinese assistant minister said at the signing ceremony.

He noted that the success of China-Africa Cooperation Forum held last October in Beijing had enhanced the friendly cooperation between China and African countries including Tanzania.

"The Chinese government attaches great importance to the follow-up actions of the forum. Overwriting the debts of Tanzania and Zanzibar is such a concrete step," said the Chinese official.

On behalf of his government, Mramba expressed his appreciation to China, a non-Paris Club creditor for accepting to grant a partial debt relief to Tanzania and for providing a grant to finance the water project.

He noted that due to debt relief from international communities, Tanzania is expected to budget for substantial spending in key poverty elimination sectors in agriculture, education, health, water, roads, and the judiciary and in combating HIV/AIDS.

However, Mramba admitted that Tanzania continues to bear a heavy debt burden of some US$7.4 billion currently owed to all foreign countries, including US$891 million owed to non-Paris Club countries.

"Today's pioneering initiative by the People's Republic of China is a very encouraging example to this latter category of foreign creditors. To them I say, ‘please take a cue from China's initiative,'" Mramba added.

Tanzania is China's largest aid-recipient country in Africa. Since Tanzania's independence in the 1960s, China has rendered various kinds of aids to the country. Main Chinese-supported projects are the Tanzania-Zambia Railway (TAZARA) and the Friendship Textile Mill.
Appendix B. Bilateral agreements between China and Tanzania


Appendix C. Nordic Sector Involvement in Tanzania

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<th>Cluster &amp; Priority Area</th>
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= Priority Area       = Involvement      = Exit
Appendix C. Schematic Sector Comparison

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Legend:
- **Priority Area**: Dark Green
- **Involvement**: Green
- **Moderate Involvement**: Light Green
## Appendix D. Schematic Comparison

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<thead>
<tr>
<th>GENERAL FINDINGS</th>
<th>The Nordic Countries</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What is Aid?</strong></td>
<td>ODA: Grants or loans that are intended primarily to foster development in the recipient, and that have at least a 25% grant element (Bräutigam 2007: 18).</td>
<td>ODA definition + ‘other official flows’, export-facilitating in purpose (Bräutigam 2007: 19).</td>
</tr>
<tr>
<td><strong>Aid Modalities</strong></td>
<td>Programme, project, GBS</td>
<td>Projects</td>
</tr>
<tr>
<td><strong>Forms</strong></td>
<td>Grants, some loans</td>
<td>Low-interest loans, zero-interest loans concessional loans, grants</td>
</tr>
<tr>
<td><strong>Sector Preferences</strong></td>
<td>Soft Sector, Governance and Accountability</td>
<td>Infrastructure, Agriculture, Light Industry, Health, Education</td>
</tr>
<tr>
<td><strong>Aid Organisation</strong></td>
<td>Ministry of Foreign Affairs, the Embassies, Multilateral Organizations</td>
<td>Ministry of Commerce: Dep. Of Aid to Foreign Countries, Bureau of International Economic Cooperation (+ Ministry of Agriculture, Education, Finance Health) China Exim Bank, China Development Bank, the Embassies</td>
</tr>
<tr>
<td><strong>Recipient Countries</strong></td>
<td>“Like-minded Countries”</td>
<td>Every country in Africa</td>
</tr>
<tr>
<td><strong>Values</strong></td>
<td>Socio-political welfare values</td>
<td>Mutual benefit, Equality, Non-interference, multilateralism, consensus decision-making, peaceful co-existence, respect for diverse cultures</td>
</tr>
<tr>
<td><strong>Guiding Principles</strong></td>
<td>Human Rights, Poverty-orientation, MDGs, Paris Declaration, coherence etc.</td>
<td>The Eight Principles</td>
</tr>
<tr>
<td><strong>Channels</strong></td>
<td>Bilateral/Multilateral</td>
<td>Mostly bilateral, small amounts through FAO and the WFP</td>
</tr>
</tbody>
</table>

### CASE-SPECIFIC FINDINGS

<table>
<thead>
<tr>
<th>Inception Year</th>
<th>1962 (N+S), 1965 (D), 1971 (F)</th>
<th>1964</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aid Modalities</strong></td>
<td>Project → Programme → GBS</td>
<td>Project</td>
</tr>
<tr>
<td><strong>Forms</strong></td>
<td>Almost exclusively grants, generally untied</td>
<td>Low-interest loans, technical assistance, concessional loans since 1995, tied to Chinese goods and services</td>
</tr>
<tr>
<td><strong>Sector Preferences</strong></td>
<td>Social → Industry → Social</td>
<td>Infrastructure, Agriculture, Health, Education</td>
</tr>
<tr>
<td><strong>Volume Performances</strong></td>
<td>Aid Boom: 1960s and 70s, Reduction: 1985, Aid Boom: 1990s, Consolidation: 2000s</td>
<td>Aid Boom: 1960s and 70s, Stability: 1980s, Consolidation: 1990s and 2000s</td>
</tr>
<tr>
<td><strong>Conditions</strong></td>
<td>Procurement Conditions (minimising), Policy Conditions, Political Conditions</td>
<td>Procurement Conditions, the One China Principle</td>
</tr>
<tr>
<td><strong>Harmonisation</strong></td>
<td>Partakes in the DPG, and the JAS process, aid as GBS, sectoral concentration</td>
<td>No indications</td>
</tr>
<tr>
<td><strong>Recipient-Orientation</strong></td>
<td>Yes, in stated commitment</td>
<td>Not recipient-oriented <em>per se</em></td>
</tr>
<tr>
<td><strong>Trade</strong></td>
<td>Minimal</td>
<td>Minimal, but rising especially in the timber sector</td>
</tr>
</tbody>
</table>